

Quarterly Business Review (QBR)

**February 3, 2015
10:00 am– 2:15 pm
Rates Hearing Room**

To participate by phone that does not charge long distance, please dial: 1-203-923-9112
If you are calling long distance, please dial: 1-877-985-5083
When prompted, enter access code: 4289070#

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Here at BPA we take safety very seriously. Our motto is “No job is so important and no service so urgent that we cannot take time to perform our work safely. In the event that the alarm sounds during this meeting, please calmly file out the exit nearest you and meet in Holladay Park for further instructions.

Time	Min	Agenda Topic	Slide	Presenter
10:00	5	Review Agenda	2	Mary Hawken
10:05	15	CFO Spotlight	~	Nancy Mitman
Financial Highlights				
10:20	30	<ul style="list-style-type: none"> Review of 1st Quarter Financial Results Review of 1st Quarter Forecast 	3-16	Mary Hawken, Cheryl Hargin, Danny Chen, Kyna Alders, Will Rector
10:50	10	Slice Reporting	17-22	Craig Larson, Janice Johnson
11:00	10	Review of 1st Quarter Capital Financial Results & Forecast	23-25	Kathy Rehmer, Kyna Alders
11:10	5	Capital Project Status Report	26-30	Dennis Naef
11:15	30	Capital Investment Prioritization Methodology	31-36	Mike DeWolf, Doug Ballou
11:45	75	Lunch	~	~
Other BPA Topics				
1:00	20	FY 2015 Expense Cost Management	37-39	Brian McConnell
1:20	30	Energy Efficiency Momentum (Non-Programmatic) Savings Methodology	40	Carrie Cobb
1:50	15	Network Projects Approved During the Previous Quarter	41-42	Glenn Russell
2:05	10	Columbia Basin Salmon and Steelhead – What's Driving the Great Fish Returns?	43-54	Agnes Lut
2:15	~	Adjourn	~	~

Financial Highlights

Financial Overview for FY 2015 through December 31, 2014

FCRPS

- **The 1st Quarter Review End-of-Year (EOY) Adjusted Net Revenue forecast is \$183 million, a \$92 million increase from the SOY forecast and a \$84 million increase from the rate case.**
- **FCRPS Net Revenues through December are \$107 million. Adjusted Net Revenue is \$94 million.**
 - The Rate Case forecast of Adjusted Net Revenue was \$100 million and the Start-of-Year forecast was \$91 million.

Power Services

- **The 1st Quarter Review (EOY) forecast for Power Modified Net Revenues is \$93 million, a \$94 million increase from the SOY forecast and a \$103 million increase from the rate case.**
 - Power's Modified Net Revenue forecast for the Rate Case is \$(10) million and Start-of-Year is \$(1) million.
 - The revenue forecast for the 1st Quarter Review is above the SOY forecast due to higher secondary sales offset in part by lower US Treasury Credits.
 - The forecast for Net Secondary Revenue is up compared to the SOY forecast due to higher inventory and higher price forecast
 - The expense forecast for the 1st Quarter Review is \$41 million below the SOY forecasts driven largely by reduced power purchases, lower interest expenses, and modest reductions in internal costs. These reductions are partially offset by higher transmission and ancillary services costs.
 - It is still early in the fiscal year and important net revenue drivers such as hydro conditions and electricity market prices remain uncertain.
- **Power Services Modified Net Revenues through December are \$63 million.**
 - Operating Revenues through December are \$680 million.
 - Total expenses (operating expenses and net interest) through December are \$559 million.
 - The net revenue modification associated with refinancing regional cooperation debt is \$57 million.

Financial Overview for FY 2015 through December 31, 2014

Transmission Services

- **The 1st Quarter Review (EOY) forecast for Transmission Net Revenues is \$91 million, a \$1 million decrease from the SOY forecast and a \$19 million decrease from the rate case.**
 - The Net Revenue Rate Case forecast is \$110 million and the SOY forecast is \$92 million.
- **Transmission Services Net Revenues through December are \$30 million.**
 - Actual Revenues through December are \$257 million.
 - Actual Total Expense (operating expenses and net interest) through December are \$226 million.

1st Quarter Review – Executive Highlights

(\$ in Millions)

	A	B	C
	FY 2014 Actuals/ ²	FY 2015 Start of Year/ ²	FY 2015 Current Quarter Review/ ²
1. Revenues ^{/1}	3,639	3,472	3,530
2. Expenses ^{/1}	3,195	3,291	3,258
3. Net Revenues (Expenses) ^{/1,3}	444	181	272 ^{/7}
4. Adjusted Net Revenues ^{/4}	236	91	183 ^{/7}
5. End of Year Financial Reserves ^{/5}	1,224	1,244	1,157 ^{/7}
6. BPA Accrued Capital Expenditures ^{/6}	544	836	324

Footnotes

<1 The actuals for Revenues, Expenses and Net Revenues are audited.

<2 Does not reflect power "bookout" transactions.

<3 Net revenues include the effects of non-federal debt management. An example of non-federal debt management is the refinancing of EN debt.

<4 Adjusted Net Revenues are calculated by adding Power Services Modified Net Revenues and Transmission Services Net Revenues.

<5 Financial reserves consist of BPA cash, investments in U.S. Treasury market-based special securities and deferred borrowing.

<6 Funded by borrowing from the U.S. Treasury.

<7 There is significant uncertainty regarding the potential results that could occur by the end of the year, mainly a result of water conditions, which may affect net secondary sales, and short-term market prices.

FY 2015 First Quarter Financial Results & First Quarter Forecast

Report ID: 0023FY15

Transmission Services Summary Statement of Revenues and Expenses

Run Date/Time: January 29, 2015/ 11:33

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended December 31, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 25%

	FY 2014		FY 2015			FY 2015
	Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	
Operating Revenues						
1 Sales	\$ 223,326	\$ 892,463	\$ 896,107	\$ 895,296	\$ 896,761	\$ 226,523
2 Miscellaneous Revenues	9,161	39,208	32,744	33,915	34,185	7,978
3 Inter-Business Unit Revenues	21,955	120,625	118,509	104,246	109,839	22,189
4 Total Operating Revenues	254,443	1,052,296	1,047,359	1,033,457	1,040,785	256,690
Operating Expenses						
5 Transmission Operations	32,336	131,396	144,346	144,206	143,252	31,677
6 Transmission Maintenance	31,443	153,989	157,893	161,177	161,434	33,819
7 Transmission Engineering	10,932	52,705	41,769	47,007	50,329	11,864
8 Trans Services Transmission Acquisition and Ancillary Services	41,082	155,368	134,245	150,953	157,692	43,608
9 Transmission Reimbursables	3,373	12,866	10,745	10,745	9,441	1,629
BPA Internal Support						
10 Additional Post-Retirement Contribution	4,625	18,501	18,819	18,819	18,819	4,705
11 Agency Services G&A	15,337	68,283	62,083	66,914	66,492	14,501
12 Other Income, Expenses & Adjustments	(1,038)	(2,525)	-	-	(2,572)	(483)
13 Depreciation & Amortization	52,265	213,257	207,640	223,380	223,380	54,757
14 Total Operating Expenses	190,356	803,840	777,540	823,202	828,267	196,076
15 Net Operating Revenues (Expenses)	64,087	248,455	269,819	210,255	212,517	60,613
Interest Expense and (Income)						
16 Interest Expense	43,216	158,240	212,722	174,692	177,270	42,478
17 AFUDC	(9,016)	(40,861)	(39,234)	(49,000)	(49,000)	(10,787)
18 Interest Income	(1,381)	(9,254)	(13,677)	(7,455)	(6,483)	(1,518)
19 Net Interest Expense (Income)	32,818	108,125	159,811	118,237	121,787	30,172
20 Net Revenues (Expenses)	\$ 31,269	\$ 140,331	\$ 110,008	\$ 92,018	\$ 90,730	\$ 30,441

<1 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties, among other factors, may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

Report ID: 0023FY15

Requesting BL: TRANSMISSION BUSINESS UNIT

Unit of Measure: \$ Thousands

QBR Forecast Analysis: Transmission Services

Through the Month Ended December 31, 2014

Preliminary/ Unaudited

Run Date/Time: January 29, 2015/ 11:33

Data Source: EPM Data Warehouse

% of Year Elapsed = 25%

		A	B	C
		FY 2015		FY 2015
		SOY Budget	Current EOY Forecast	Current EOY Forecast - SOY Budget
Operating Revenues				
1	Sales	\$ 895,296	\$ 896,761	\$ 1,466
2	Miscellaneous Revenues	33,915	34,185	270
3	Inter-Business Unit Revenues	104,246	109,839	5,592
4	Total Operating Revenues	1,033,457	1,040,785	7,328
Operating Expenses				
5	Transmission Operations	144,206	143,252	(954)
6	Transmission Maintenance	161,177	161,434	257
7	Transmission Engineering	47,007	50,329	3,322
8	Trans Services Transmission Acquisition and Ancillary Services	150,953	157,692	6,739
9	Transmission Reimbursables	10,745	9,441	(1,304)
	BPA Internal Support			
10	Additional Post-Retirement Contribution	18,819	18,819	-
11	Agency Services G&A	66,914	66,492	(422)
12	Other Income, Expenses & Adjustments	-	(2,572)	(2,572)
13	Depreciation & Amortization	223,380	223,380	-
14	Total Operating Expenses	823,202	828,267	5,065
15	Net Operating Revenues (Expenses)	210,255	212,517	2,263
Interest Expense and (Income)				
16	Interest Expense	174,692	177,270	2,578
17	AFUDC	(49,000)	(49,000)	()
18	Interest Income	(7,455)	(6,483)	972
19	Net Interest Expense (Income)	118,237	121,787	3,550
20	Net Revenues (Expenses)	\$ 92,018	\$ 90,730	\$ (1,288)

Report ID: 0063FY15

Transmission Services Revenue Detail by Product

Run Date/Time: January 29, 2015 11:33

Requesting BL: TRANSMISSION BUSINESS UNIT Through the Month Ended December 31, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 25%

		A	B	C	D
		FY 2015			FY 2015
		Rate Case	SOY Budget	Current EOY Forecast	Actuals
Transmission Services Operating Revenues					
NETWORK					
1	PTP - LONG TERM	\$ 462,832	\$ 442,361	\$ 447,313	\$ 111,202
2	NETWORK INTEGRATION	129,253	130,180	129,958	35,030
3	INTEGRATION OF RESOURCES	5,541	5,541	5,541	1,385
4	FORMULA POWER TRANSMISSION	16,770	18,782	18,782	4,674
5	PTP - SHORT TERM	28,244	26,762	26,794	4,239
6	TOTAL: NETWORK	642,640	623,627	628,389	156,530
ANCILLARY SERVICES					
7	SCHEDULING, SYSTEM CONTROL & DISPATCH	129,381	125,467	126,140	31,449
8	OPERATING RESERVES - SPIN & SUPP	41,919	47,798	46,972	9,769
9	VARIABLE RES BALANCING	60,589	61,866	61,823	14,964
10	REGULATION & FREQ RESPONSE	6,118	6,027	6,021	1,569
11	ENERGY & GENERATION IMBALANCE	-	5,677	6,967	1,311
12	DISPATCHABLE RES BALANCING	3,116	2,091	2,133	385
13	TOTAL: ANCILLARY SERVICES	241,123	248,925	250,055	59,447
INTERTIE					
14	SOUTHERN INTERTIE LONG TERM	81,872	82,035	82,035	20,483
15	SOUTHERN INTERTIE SHORT TERM	4,261	4,210	3,823	173
16	MONTANA INTERTIE LONG TERM	115	115	115	29
17	MONTANA INTERTIE SHORT TERM	-	51	46	16
18	TOTAL: INTERTIE	86,248	86,410	86,019	20,701

Report ID: 0063FY15

Transmission Services Revenue Detail by Product

Run Date/Time: January 29, 2015 11:33

Requesting BL: TRANSMISSION BUSINESS UNIT Through the Month Ended December 31, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 25%

		A	B	C	D
		FY 2015			FY 2015
		Rate Case	SOY Budget	Current EOY Forecast	Actuals
OTHER REVENUES & CREDITS					
19	TOWNSEND-GARRISON TRANS	\$ 12,421	\$ 12,394	\$ 12,145	\$ 3,091
20	GEN INTEGRATION - OTHER REV	9,659	9,659	9,659	2,415
21	USE OF FACILITIES	5,147	5,075	4,960	1,255
22	POWER FACTOR PENALTY	3,456	4,103	3,985	824
23	NFP - DEPR PNW PSW INTERTIE	2,943	3,325	3,328	870
24	AC - PNW PSW INTERTIE - OTH REV	1,594	1,695	1,695	433
25	OPERATIONS & MAINT - OTHER REV	1,054	3,158	952	237
26	COE & BOR PROJECT REV	954	954	-	159
27	RESERVATION FEE - OTHER REV	2,780	547	895	377
28	TRANSMISSION SHARE IRRIGATION	382	246	246	21
29	LAND LEASES AND SALES	301	295	302	22
30	OTHER LEASES REVENUE	78	105	89	
31	REMEDIAL ACTION - OTHER REV	51	41	41	9
32	MISC SERVICES - LOSS-EXCH-AIR	100	168	322	56
33	OVERSUPPLY	-	-	2,702	2,702
34	FAILURE TO COMPLY - OTHER REV	-	-	57	98
35	UNAUTHORIZED INCREASE - OTH REV	-	-	34	(331)
36	OTHER REVENUE SOURCES	-	-	155	(15)
37	TOTAL: OTHER REVENUES & CREDITS	40,920	41,764	41,567	12,223
FIBER & PCS					
38	FIBER OTHER REVENUE	7,876	8,567	8,753	2,366
39	WIRELESS/PCS - OTHER REVENUE	4,861	4,630	4,108	1,384
40	WIRELESS/PCS - REIMBURSABLE REV	1,185	3,127	3,672	216
41	FIBER OTHER REIMBURSABLE REV	1,157	818	884	493
42	TOTAL: FIBER & PCS	15,080	17,142	17,417	4,459
REIMBURSABLE					
43	REIMBURSABLE - OTHER REVENUE	15,419	9,800	11,562	2,167
44	ACCRUAL REIMBURSABLE	-	-	-	-
45	TOTAL: REIMBURSABLE	15,419	9,800	11,562	2,167
DELIVERY					
46	UTILITY DELIVERY CHARGES	3,296	3,155	3,155	647
47	DSIDELIVERY	2,633	2,633	2,621	515
48	TOTAL: DELIVERY	5,929	5,788	5,776	1,162
49	TOTAL: Transmission Services Operating Revenues	\$ 1,047,359	\$ 1,033,457	\$ 1,040,785	\$ 256,690

Report ID: 0021FY15

Requesting BL: POWER BUSINESS UNIT

Unit of measure: \$ Thousands

Power Services Summary Statement of Revenues and Expenses

Through the Month Ended December 31, 2014

Preliminary/ Unaudited

Run Date/Time: January 29, 2015 11:33

Data Source: EPM Data Warehouse

% of Year Elapsed = 25%

		A	B	C	D	E <Note 1	F
		FY 2014		FY 2015			FY 2015
		Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
Operating Revenues							
1	Gross Sales (excluding bookout adjustment) <Note 2	\$ 607,611	\$ 2,572,333	\$ 2,500,387	\$ 2,411,110	\$ 2,482,032	\$ 618,519
2	Bookout Adjustment to Sales	(8,085)	(38,281)	-	-	(4,959)	(4,959)
3	Miscellaneous Revenues	6,510	26,170	29,953	31,394	34,799	8,385
4	Inter-Business Unit	38,554	142,244	112,910	134,767	134,950	31,707
5	U.S. Treasury Credits	29,489	108,453	97,596	99,826	82,268	26,309
6	Total Operating Revenues	674,079	2,810,919	2,740,845	2,677,096	2,729,090	679,960
Operating Expenses							
Power System Generation Resources							
Operating Generation Resources							
7	Columbia Generating Station	69,550	297,825	338,558	330,763	329,763	89,683
8	Bureau of Reclamation	26,525	137,695	143,033	152,533	152,533	25,976
9	Corps of Engineers	48,727	223,451	231,878	237,378	237,378	52,564
10	Long-term Contract Generating Projects	3,439	20,969	26,619	27,843	27,843	7,431
11	Operating Generation Settlement Payment	5,476	19,225	21,906	21,497	21,863	5,466
12	Non-Operating Generation	355	160	2,228	1,467	1,467	389
13	Gross Contracted Power Purchases and Aug Power Purchases	75,832	237,500	149,531	104,278	53,456	12,094
14	Bookout Adjustment to Power Purchases	(8,085)	(38,281)	-	-	(4,959)	(4,959)
15	Residential Exchange/IOU Settlement Benefits <Note 2	50,457	201,345	201,899	201,500	201,500	50,172
16	Renewables	6,030	35,843	40,147	40,332	40,332	8,484
17	Generation Conservation	7,984	37,531	49,320	48,552	48,728	9,414
18	Subtotal Power System Generation Resources	286,290	1,173,264	1,205,118	1,166,143	1,109,904	256,713
19	Power Services Transmission Acquisition and Ancillary Services	36,070	175,477	165,102	163,363	168,110	35,843
20	Power Non-Generation Operations	18,015	75,654	95,010	91,532	90,277	17,487
21	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	72,671	272,467	302,469	302,454	302,122	78,597
BPA Internal Support							
22	Additional Post-Retirement Contribution	4,625	18,501	18,819	18,819	18,819	4,705
23	Agency Services G&A	13,553	58,267	57,215	57,410	57,240	12,606
24	Other Income, Expenses & Adjustments	(68)	(999)	-	(15,000)	(48)	(48)
25	Non-Federal Debt Service	138,497	140,766	441,278	190,785	190,785	45,547
26	Depreciation & Amortization	57,062	227,267	229,281	232,228	232,228	56,988
27	Total Operating Expenses	626,715	2,140,663	2,514,292	2,207,735	2,169,437	508,439
28	Net Operating Revenues (Expenses)	47,364	670,256	226,553	469,361	559,653	171,521
Interest Expense and (Income)							
29	Interest Expense	61,807	219,928	261,996	218,850	218,550	54,527
30	AFUDC	(2,601)	(9,375)	(11,175)	(11,000)	(11,000)	(2,534)
31	Interest Income	(3,424)	(14,192)	(13,911)	(6,587)	(9,577)	(1,506)
32	Net Interest Expense (Income)	55,783	196,361	236,909	201,263	197,974	50,487
33	Net Revenues (Expenses)	\$ (8,419)	\$ 473,895	\$ (10,357)	\$ 268,099	\$ 361,679	\$ 121,035
34	Net Revenue Modifications <Note 3	-	(378,089)	-	(269,109)	(269,109)	(57,464)
35	Power Modified Net Revenue	\$ (8,419)	\$ 95,806	\$ (10,357)	\$ (1,011)	\$ 92,570	\$ 63,570

<1 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties, among other factors, may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

<2 The Residential Exchange Program expenses reflect the Scheduled Amount of REP benefits payments established in the 2012 REP Settlement Agreement. The Scheduled Amount of REP benefit payments incorporates a \$76,537,617 reduction in REP benefits to provide Refund Amount payments to COUs. The Refund Amount returned to the COUs is reflected through a reduction in the Gross Sales amount.

<3 Power Modified Net Revenue (PMNR) is the result of a modification to Power Net Revenues for the purpose of mitigating the effects of debt management transactions that were not anticipated in the BP-14 Power Rate Case. PMNR excludes the impact of refinancing actions that result in non-cash net revenues or are being offset by cash transactions not reflected on the Power Income Statement in the same Fiscal Year (e.g., increased Federal Principal Payments on Federal appropriations). In 2014, these transactions are limited to the refinancing of regional cooperation debt.

Report ID: 0021FY15

Requesting BL: POWER BUSINESS UNIT

Unit of measure: \$ Thousands

QBR Forecast Analysis: Power Services

Through the Month Ended December 31, 2014

Preliminary/ Unaudited

Run Date/Time: January 29, 2015 11:33

Data Source: EPM Data Warehouse

% of Year Elapsed = 25%

		A	B	C
		FY 2015		FY 2015
		SOY Budget	Current EOY Forecast	Current EOY Forecast - SOY Budget
Operating Revenues				
1	Gross Sales (excluding bookout adjustment) <Note 2	\$ 2,411,110	\$ 2,482,032	\$ 70,922
2	Bookout Adjustment to Sales	-	(4,959)	(4,959)
3	Miscellaneous Revenues	31,394	34,799	3,405
4	Inter-Business Unit	134,767	134,950	183
5	U.S. Treasury Credits	99,826	82,268	(17,558)
6	Total Operating Revenues	2,677,096	2,729,090	51,994
Operating Expenses				
Power System Generation Resources				
Operating Generation Resources				
7	Columbia Generating Station	330,763	329,763	(1,000)
8	Bureau of Reclamation	152,533	152,533	-
9	Corps of Engineers	237,378	237,378	-
10	Long-term Contract Generating Projects	27,843	27,843	-
11	Operating Generation Settlement Payment	21,497	21,863	365
12	Non-Operating Generation	1,467	1,467	-
13	Gross Contracted Power Purchases and Aug Power Purchases	104,278	53,456	(50,822)
14	Bookout Adjustment to Power Purchases	-	(4,959)	(4,959)
15	Residential Exchange/IOU Settlement Benefits <Note 2	201,500	201,500	()
16	Renewables	40,332	40,332	-
17	Generation Conservation	48,552	48,728	177
18	Subtotal Power System Generation Resources	1,166,143	1,109,904	(56,239)
19	Power Services Transmission Acquisition and Ancillary Services	163,363	168,110	4,747
20	Power Non-Generation Operations	91,532	90,277	(1,256)
21	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	302,454	302,122	(332)
BPA Internal Support				
22	Additional Post-Retirement Contribution	18,819	18,819	-
23	Agency Services G&A	57,410	57,240	(170)
24	Other Income, Expenses & Adjustments	(15,000)	(48)	14,952
25	Non-Federal Debt Service	190,785	190,785	-
26	Depreciation & Amortization	232,228	232,228	-
27	Total Operating Expenses	2,207,735	2,169,437	(38,298)
28	Net Operating Revenues (Expenses)	469,361	559,653	90,291
Interest Expense and (Income)				
29	Interest Expense	218,850	218,550	(300)
30	AFUDC	(11,000)	(11,000)	()
31	Interest Income	(6,587)	(9,577)	(2,989)
32	Net Interest Expense (Income)	201,263	197,974	(3,289)
33	Net Revenues (Expenses)	\$ 268,099	\$ 361,679	\$ 93,580

Report ID: 0064FY15

Power Services Detailed Statement of Revenues by Product

Run Date/Time: January 29, 2015 11:33

Requesting BL: POWER BUSINESS UNIT

Through the Month Ended December 31, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

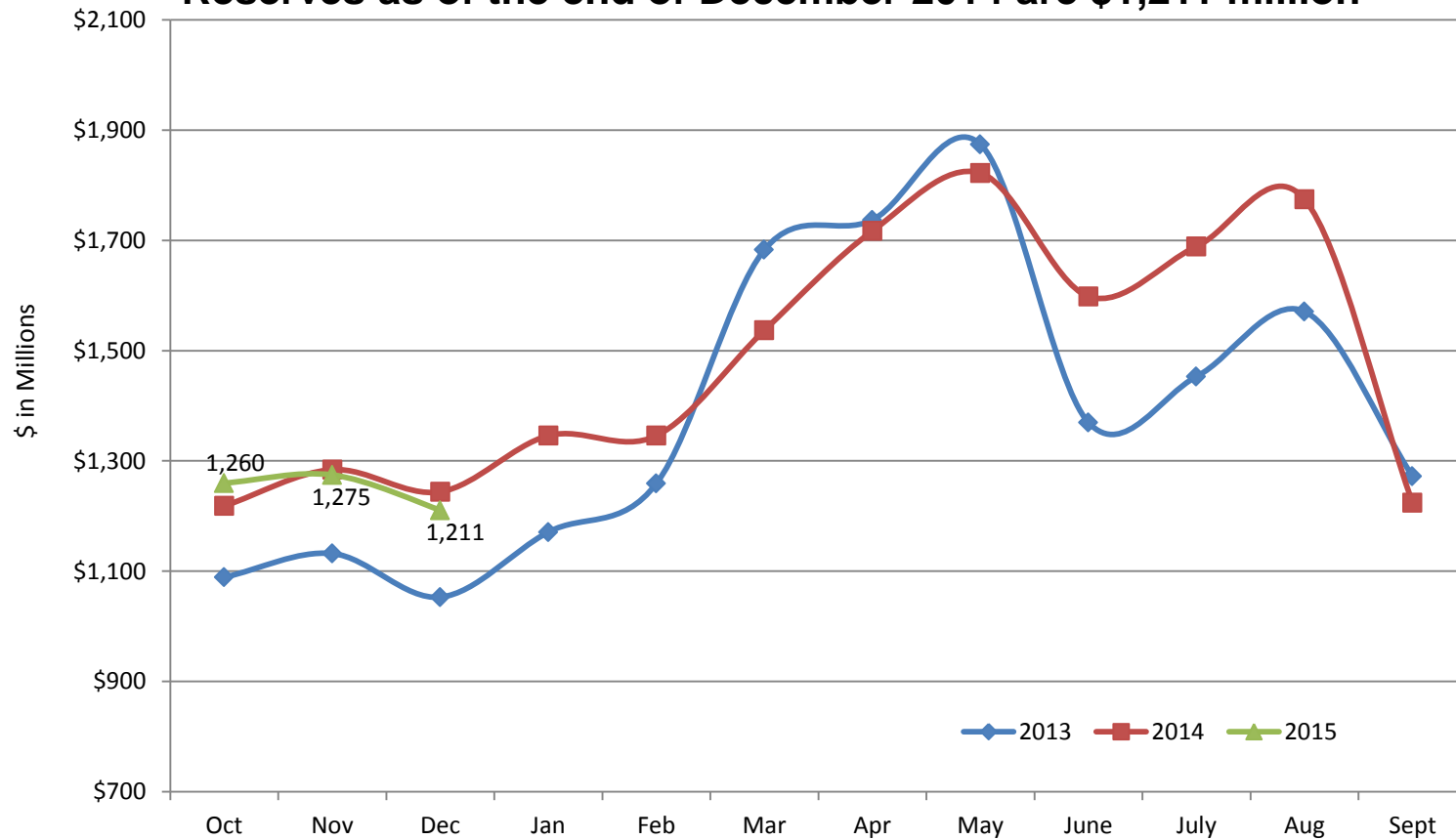
Preliminary/ Unaudited

% of Year Elapsed = 25%

		A	B	C	D
		FY 2015		FY 2015	FY 2015
		Rate Case	SOY Budget	Actuals	Actuals per Rate Case
Operating Revenues					
Gross Sales (excluding bookout adjustment)					
PF Tier 1 Revenues					
Load Following					
1	Composite	\$ 1,079,318	\$ 1,078,929	\$ 269,502	25%
2	Non-Slice	(165,976)	(165,916)	(41,449)	25%
3	Load Shaping	6,388	6,387	(6,741)	-206%
4	Demand	43,388	43,388	14,284	33%
5	Discounts / Fees	(45,674)	(44,361)	(7,658)	17%
6	RSS / RSC	685	677	216	31%
7	REP Refund	(33,152)	(33,152)	(8,288)	25%
8	Other	-	-	-	0%
9	Sub-Total: Load Following	884,977	885,952	219,867	25%
Block					
10	Composite	612,751	594,976	148,593	24%
11	Non-Slice	(94,228)	(91,495)	(22,850)	24%
12	Load Shaping	16,403	16,222	12,250	75%
13	Demand	-	-	-	0%
14	Discounts / Fees	(4,837)	(4,837)	()	0%
15	RSS / RSC	-	-	-	0%
16	REP Refund	(21,493)	(21,493)	(5,373)	25%
17	Other	-	-	-	0%
18	Sub-Total: Block	508,596	493,373	132,620	26%
Slice					
19	Composite	626,613	626,613	156,654	25%
20	Slice	-	-	-	0%
21	Discounts / Fees	(4,667)	(4,717)	(808)	17%
22	REP Refund	(21,892)	(21,892)	(5,473)	25%
23	Other	-	-	-	0%
24	Sub-Total: Slice	600,055	600,004	150,373	25%
25	PF Tier 2 Revenues	25,768	25,580	6,524	25%
26	NR Revenues	-	-	(312)	0%
27	IP Revenues	106,510	106,580	29,867	28%
28	FPS Revenues	343,509	294,612	67,539	20%
29	Other Revenues	30,972	5,009	12,041	39%
30	Gross Sales (excluding bookout adjustment)	2,500,387	2,411,110	618,519	25%
31	Bookout Adjustment to Sales	-	-	(4,959)	0%
32	Miscellaneous Revenues	29,953	31,394	8,385	28%
33	Inter-Business Unit	112,910	134,767	31,707	28%
34	U.S. Treasury Credits	97,596	99,826	26,309	27%
35	Total Operating Revenues	2,740,845	2,677,096	679,960	25%

Financial Reserves

Reserves as of the end of December 2014 are \$1,211 million



Q1 - End of FY15 Reserves Forecast

(\$ Millions)

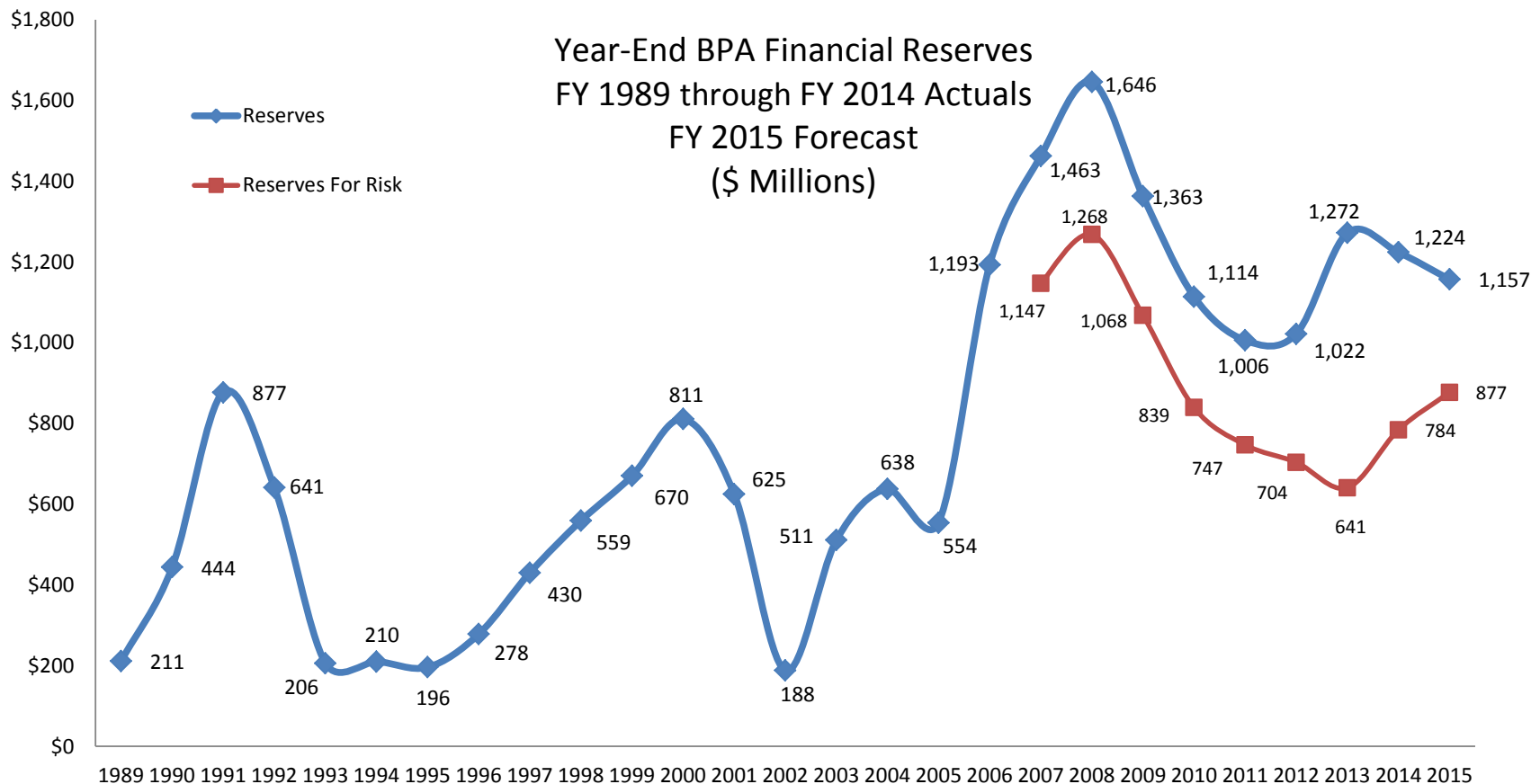
End FY15 Reserves Forecast

Less: End of FY15 Reserves Not for Risk

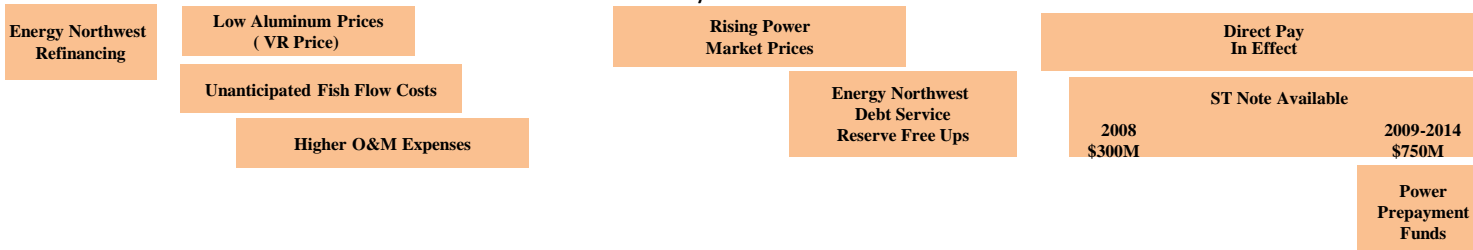
Reserves Available for Risk Forecast

Split		
Power	Trans	Total
587	570	1,157
173	107	280
414	463	877

BPA Financial Reserves FY 1989 – FY 2015



Noteworthy Events



Slice Reporting Composite Cost Pool Review Forecast of Annual Slice True-Up Adjustment

Craig Larson
Public Utilities Specialist

Janice Johnson
Accountant

Q1 Forecast of FY 2015 Slice True-Up Adjustment

	FY 2015 Forecast \$ in thousands
February 3, 2015 First Quarter Business Review	(\$25,888)
May 5, 2015 Second Quarter Business Review	
Aug 4, 2015 Third Quarter Business Review	
November 3, 2015 Fourth Quarter Business Review	
Actual Slice True-Up Adjustment Charge/Credit (negative amount = credit on bill)	

Summary of Differences From Q1 Forecast to FY 2015 (BP-14)

#		Composite Cost Pool True- Up Table Reference	Q1 – FY 15 \$ in thousands
1	Total Expenses	Row 109	(\$305,336)
2	Total Revenue Credits	Rows 128 + 137	\$13,827
3	Minimum Required Net Revenue	Row 149	(\$223,388)
4	TOTAL Composite Cost Pool (1 - 2 + 3) (\$305,336K) – \$13,827K+ (\$223,388K) = (\$95,776K)	Row 151	(\$95,776)
5	TOTAL in line 4 divided by <u>0.9851395</u> sum of TOCAs (\$95,776K) / (<u>0.9851395</u>) = (\$97,221K)	Row 156	(\$97,221)
6	Q1 Forecast of FY 15 True-up Adjustment 26.62752 percent of Total in line 5 0.2662752 * (\$97,221K) = (\$25,888K)	Row 157	(\$25,888)

Lower Level Differences From Q1 Forecast to FY 2015 (BP-14)

#	Line Item of Values Changed Over \$9.5 M	Composite Cost Pool True-Up Table Reference	Q1 – FY 2015 Rate Case (\$ in thousands)
1	Principal Payment of Fed Debt for Power	ROW 140	\$ 229,858
2	Generation Inputs for Ancillary, Control Area, and Other Services Revenues	ROW 112	\$ 22,040
3	BUREAU OF RECLAMATION	ROW 5	\$ 9,500
4	WNP-1 DEBT SVC	ROW 88	\$ (143,278)
5	WNP-3 DEBT SVC	ROW 89	\$ (106,553)
6	Net Interest Expense	ROW 105	\$ (38,482)
7	Other Power Purchases (omit, except Designated Obligations or Purchase)	ROW 20	\$ (19,069)
8	4(h)(10)(c) credit	ROW 114	\$ (15,328)

Composite Cost Pool Interest Credit

		<u>Q1 2015</u>	
1	Reserves Prior to FY 2002	570,255	
2	Adjustments for pre-2002 Items	-	
3	Reserves for Composite Cost Pool (Line 1 + Line 2)	570,255	
4	Composite Interest Rate	1.30%	
5	Composite Interest Credit	(7,397)	
6	Prepay Offset Credit	(1,768)	
7	Total Interest Credit for Power Services	(9,577)	
8	Non-Slice Interest Credit (Line 7 - (Line 5+6))	(412)	

Net Interest Expense in Slice True-Up Forecast

	<i>\$ in thousands</i>	<i>\$ in thousands</i>
	<u>2014 Rate Case</u>	<u>Q1 Forecast</u>
▪ Federal Appropriation	\$220,657	\$202,123
▪ Capitalization Adjustment	(\$45,937)	(\$45,938)
▪ Borrowings from US Treasury	\$ 73,235	\$ 48,324
▪ <u>Prepay Interest Expense</u>	<u>\$ 14,041</u>	<u>\$ 14,041</u>
▪ Interest Expense	\$261,996	\$218,550
▪ AFUDC	(\$11,175)	(\$11,000)
▪ Interest Income (composite)	(\$11,918)	(\$ 7,397)
▪ <u>Prepay Offset Credit</u>	<u>(\$ 2,035)</u>	<u>(\$ 1,768)</u>
▪ Total Net Interest Expense	\$236,867	\$198,385

FY 2015 First Quarter Capital Financial Results & First Quarter Forecast

Report ID: 0027FY15 Requesting BL: CORPORATE BUSINESS UNIT Unit of Measure: \$Thousands		BPA Statement of Capital Expenditures FYTD Through the Month Ended December 31, 2014 Preliminary Unaudited				Run Date/Run Time: January 29, 2015/ 11:38 Data Source: EPM Data Warehouse % of Year Elapsed = 25%	
		A	B	C	D	E	F
		FY 2015		FY 2015		FY 2015	
		SOY Budget	Current EOY Forecast	Actuals: Dec	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast
Transmission Business Unit							
1	MAIN GRID	\$ 125,994	\$ 120,176	\$ 18,922	\$ 50,926	40%	42%
2	AREA & CUSTOMER SERVICE	17,157	18,337	2,153	1,921	11%	10%
3	SYSTEM REPLACEMENTS	232,234	241,923	20,430	62,485	27%	26%
4	UPGRADES & ADDITIONS	304,352	295,385	47,842	108,132	36%	37%
5	ENVIRONMENT CAPITAL	7,114	6,649	782	1,777	25%	27%
	PFIA						
6	MISC. PFIA PROJECTS	5,942	5,955	(557)	(609)	-10%	-10%
7	GENERATOR INTERCONNECTION	12,814	12,462	89	401	3%	3%
8	SPECTRUM RELOCATION	-	-	17	35	0%	0%
9	CAPITAL INDIRECT	-	-	(5,241)	(16,304)	0%	0%
10	LAPSE FACTOR	-	-	-	-	0%	0%
11	TOTAL Transmission Business Unit	705,607	700,887	84,437	208,764	30%	30%
Power Business Unit							
12	BUREAU OF RECLAMATION <Note 1	46,806	46,806	233	10,151	22%	22%
13	CORPS OF ENGINEERS <Note 1	159,043	159,043	8,658	23,861	15%	15%
14	GENERATION CONSERVATION <Note 2	89,313	89,313	7,342	16,028	18%	18%
15	POWER INFORMATION TECHNOLOGY	7,026	7,026	340	1,278	18%	18%
16	FISH & WILDLIFE <Note 2	51,807	40,000	5,013	9,261	18%	23%
17	LAPSE FACTOR	-	-	-	-	0%	0%
18	TOTAL Power Business Unit	353,995	342,188	21,587	60,579	17%	18%
Corporate Business Unit							
19	CORPORATE BUSINESS UNIT	23,871	20,387	1,857	3,905	16%	19%
20	TOTAL Corporate Business Unit	23,871	20,387	1,857	3,905	16%	19%
21	TOTAL BPA Capital Expenditures	\$ 1,083,472	\$ 1,063,462	\$ 107,881	\$ 273,249	25%	26%

< 1 Excludes projects funded by federal appropriations.

< 2 Amounts are reported as regulatory assets and not utility plant

Report ID: 0027FY15

Requesting BL: CORPORATE BUSINESS UNIT

Unit of Measure: \$Thousands

QBR Forecast Analysis: BPA Capital Expenditures

FYTD Through the Month Ended December 31, 2014

Preliminary Unaudited

Run Date/Run Time: January 29, 2015 11:38

Data Source: EPM Data Warehouse

% of Year Elapsed = 25%

				A	B	C
				FY 2015		FY 2015
				SOY Budget	Current EOY Forecast	Current EOY Forecast - SOY Budget
Transmission Business Unit						
1	MAIN GRID			\$ 125,994	\$ 120,176	\$ (5,818)
2	AREA & CUSTOMER SERVICE			17,157	18,337	1,180
3	SYSTEM REPLACEMENTS			232,234	241,923	9,689
4	UPGRADES & ADDITIONS			304,352	295,385	(8,967)
5	ENVIRONMENT CAPITAL			7,114	6,649	(465)
	PFIA			-	-	-
6	MISC. PFIA PROJECTS			5,942	5,955	14
7	GENERATOR INTERCONNECTION			12,814	12,462	(352)
8	SPECTRUM RELOCATION			-	-	-
9	CAPITAL INDIRECT			-	-	-
10	LAPSE FACTOR			-	-	-
11	TOTAL Transmission Business Unit			705,607	700,887	(4,720)
Power Business Unit						
12	BUREAU OF RECLAMATION <Note 1			46,806	46,806	-
13	CORPS OF ENGINEERS <Note 1			159,043	159,043	-
14	GENERATION CONSERVATION <Note 2			89,313	89,313	-
15	POWER INFORMATION TECHNOLOGY			7,026	7,026	-
16	FISH & WILDLIFE <Note 2			51,807	40,000	(11,807)
17	LAPSE FACTOR			-	-	-
18	TOTAL Power Business Unit			353,995	342,188	(11,807)
Corporate Business Unit						
19	CORPORATE BUSINESS UNIT			23,871	20,387	(3,483)
20	TOTAL Corporate Business Unit			23,871	20,387	(3,483)
21	TOTAL BPA Capital Expenditures			\$ 1,083,472	\$ 1,063,462	\$ (20,010)

< 1 Excludes projects funded by federal appropriations.

< 2 Amounts are reported as regulatory assets and not utility plant

Capital Project Status Report

Dennis Naef
Asset Strategist

Major Capital Projects¹ - End-of-Project Target Performance

Q4 2014

		Direct Capital \$M ²			In-Service Date	
Project	Description	Target	Forecast	Actual ³	Target	Forecast
Transmission						
Spacer Damper Replacement Program (FY08-12)	Replace all spring type double and triple bundle spacer-dampers on the 500 kV system.	\$ 65.2	\$ 46.6	\$ 46.2	9/30/2012 for 95% completion	12/26/14
Sustain Steel Program Defective Damper Replacements	Replace approximately 1,700 mile of defective PPI spacer dampers.	\$28.0 to \$34.4 for FY12- FY14	\$ 31.0	\$ 27.4	Achieve 100% of workplan thru FY14	Achieved 92% of workplan thru FY14
500 kV Spare Transformer Project	Acquire 5 spares and relocate 2 existing transformers to be used as spares. The spares will be placed strategically across the system.	\$ 41.0	\$ 47.1	\$ 46.7	12/31/13	9/1/15
Fleet Mobile Equipment Replacement FY14-16	Heavy duty and specialized vehicle replacement program for FY14-16	\$ 16.4	\$ 16.4	\$ 0.5	9/30/16	9/30/16
#KC SONET Phase II Spur Healing	Complete the digital microw ave and radio conversion in Oregon.	\$ 18.0	\$ 12.8	\$ 12.3	12/31/15	12/29/17
#NC Analog Microwave Replacement	Complete the digital microw ave and radio conversion in NW Washington.	\$ 9.5	\$ 7.9	\$ 7.7	12/31/15	12/15/16
Alvey Substation 500 kV Shunt Reactor	Add a 500 kV shunt reactor for voltage stabilization.	\$ 10.9	\$ 10.3	\$ 3.8	4/30/12	12/30/15
NEPA - I-5 Corridor Reinforcement	Conduct NEPA study, preliminary engineering and design.	\$ 85.0	\$ 85.0	\$ 48.9	12/31/15	12/15/15
Big Eddy - Knight (West of McNary Reinforcement Group 2)	New 500 kV substation and 28 miles of 500 kV transmission line.	\$ 180.0	\$ 192.5	\$ 154.6	11/30/14	2/26/16
Synchrophasor Project	5-year effort to acquire, install, test, and implement synchronized Wide Area Measurement (WAM) and control technology at BPA.	\$ 32.5	\$ 31.5	\$ 29.6	9/30/15 completion plus FY14 milestones	9/30/15
Wood Pole Line Sustain Program FY14 - FY15	Implement a stable, sustained wood pole replacement program. The four year plan includes cumulative cost and work plan completion targets.	At least \$32.3 for FY14	\$ 38.9	\$ 38.9	Achieve 100% of workplan	Achieve 83% of workplan
Steel Lines Sustain Program FY14 - FY15	Implement a stable, sustained steel line replacement program. The four year plan includes cumulative cost and work plan completion targets.	At least \$11.6 for FY14	\$ 14.9	\$ 14.9	Achieve 100% of workplan	Achieve 90% of workplan
System Protection and Control (SPC) Sustain Program FY14 - FY15	Implement a stable, sustained SPC replacement program. The four year plan includes cumulative cost and work plan completion targets.	At least \$16.0 for FY14	\$ 29.2	\$ 29.2	Achieve 90% to 100% of workplan	Achieved 126% of workplan
Ross - Schultz Fiber Replacement	Replace the obsolete and limited 36 strand fiber with standard 72 strand fiber.	\$ 34.0	\$ 30.5	\$ 4.7	9/15/17	11/20/17
#DC Microwave Analog Spur Replacement	Complete the digital microw ave and radio conversion in Northeast Washington.	\$ 39.5	\$ 36.6	\$ 27.5	8/30/17	7/3/17
Central Ferry to Lower Monumental (Little Goose Area Reinforcement)	Construct a 38 mile 500 kV transmission line between Central Ferry and Lower Monumental substations.	\$ 115.0	\$ 112.0	\$ 57.0	12/31/15	12/31/15

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¹ Includes capital projects authorized at the agency level since August 2007

² Direct capital costs exclude AFUDC and overheads

³ Actual costs are project costs to date.

⁴ Contracts have not been awarded - cost estimates are confidential

Major Capital Projects¹ - End-of-Project Target Performance

Q4 2014

		Direct Capital \$M ²			In-Service Date	
Project	Description	Target	Forecast	Actual ³	Target	Forecast
Transmission - continued						
Rights-of-Way Access Roads and Land Rights Acquisition Program FY13 to FY15	Implement a stable, sustained ROW program. The three year plan includes cumulative cost and work plan completion targets.	At least \$29.4 for FY13-14	\$ 42.7	\$ 42.7	Achieve 100% of workplan	63% of workplan
P25 Two-Way Mobile Radio Upgrade	Replace and upgrade the mobile radio system to P25 technology.	\$ 64.5	\$ 64.0	\$ 3.0	9/30/17	9/30/17
Switchgear Replacement for Fault Duty FY12	Replace under-rated switchgear identified in annual screening process.	\$ 14.9	\$ 18.5	\$ 16.3	12/31/14	3/22/16
Pacific DC Intertie Upgrade - Station Work	Modernize the Celilo converter terminal and upgrade capacity from 3100 MW to 3220 MW for north to south power flow with a future upgrade path to 3800 MW.	\$ 275.8	\$ 270.0	\$ 93.9	12/20/15	12/20/15
Pacific DC Intertie Upgrade - Line Work		\$ 40.0	\$ 78.0	\$ 18.5	10/31/17	10/31/17
Puget Sound Area Northern Intertie (PSANI) Memorandum of Agreement	Install a 500/230 kV transformer bank addition at Raver Substation.	\$ 56.4	\$ 56.4	\$ 2.6	9/30/16	9/30/16
Horse Butte Wind Interconnection	Interconnect UAMPS wind project.	\$ 10.2	\$ 8.2	\$ 8.1	11/30/12	12/15/14
MT to WA Transmission System Upgrade - NEPA	NEPA and preliminary engineering and design for the former CUP West project.	\$ 7.2	\$ 5.8	\$ 1.1	3/31/15	3/30/15
Lower Valley NEPA (Hooper Springs)	NEPA and preliminary engineering and design work for the Lower Valley Area Reinforcement project.	\$ 19.1	\$ 21.6	\$ 20.0	11/1/13	2/2/15
AC Substations Sustain Program FY13-15	Implement a stable AC substation equipment replacement program. The 3 year plan includes cumulative cost and scope/schedule targets.	Up to \$28.3 FY13-14	\$ 34.3	\$ 34.3	Deliver 100% of workplan	Deliver 102% of workplan
PSC/Telecom Sustain Program FY13-15	Implement a stable PSC/Telecom equipment replacement program. The 3 year plan includes cumulative cost and scope/schedule targets.	Up to \$25.3 FY13-14	\$ 22.6	\$ 22.6	Deliver 100% of workplan	Deliver 134% of workplan
#JC Microwave Upgrade	Complete the digital conversion for the upper part of the #JC communications ring.	\$ 13.5	\$ 13.5	\$ 2.4	9/1/18	9/1/18
Operational Multi-Gigabit Ethernet Transport (OMET)	Communications upgrade and replacement to ensure adequate capacity and compatibility for emerging requirements.	\$ 43.5	\$ 43.5	\$ 8.0	3/30/17	3/30/17
McNary Substation - Additional 500 kV Transformer	Install an additional transformer bank to handle increased loading.	\$ 20.2	\$ 19.8	\$ 0.2	5/30/17	12/31/17
Umatilla Electric Cooperative (UEC) Line and Load Requests	Construct Longhorn Substation Annex and add three bays at McNary Substation.	\$ 40.6	\$ 42.8	\$ 13.3	9/3/15	11/1/15
Paul Substation Shunt Reactor Addition	Install an additional reactor in the Portland area for voltage control.	\$ 9.5	\$ 8.0	\$ 0.2	4/30/16	4/16/16
Raver Substation - Replace Reactor	Replace the failed 180 MVAR reactor with a 300 MVAR unit.	\$ 7.2	\$ 7.1	\$ 1.0	6/30/15	9/30/15
Control House Upgrades	Expand or replace ten substation control houses to replacing failing or inadequate units.	\$ 13.3	\$ 13.3	\$ 0.4	6/15/16	9/14/16
Spare Transformers for Hub Wind Sites	Add a spare 500/230 kV single phase transformer at John Day, Rock Creek, Slatt and Central Ferry substations.	\$ 18.6	\$ 18.6	\$ -	10/15/18	10/15/18

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Major Capital Projects ¹ - End-of-Project Target Performance					Q4 2014	
Project	Description	Direct Capital \$M ²			In-Service Date	
		Target	Forecast	Actual ³	Target	Forecast
Federal Hydro						
Grand Coulee and Hungry Horse SCADA Replacement	Replace SCADA systems at Grand Coulee and Hungry Horse.	\$ 46.8	\$ 76.3	\$ 42.1	9/30/15	9/30/20
Grand Coulee Left Powerhouse Transformer Replacement	Replace transformer banks K1, K5, K7, K8 and purchase one spare transformer bank.	\$ 15.7	\$ 15.7	\$ 15.5	10/31/14	10/31/14
Grand Coulee 500kV Switchyard Relay Replacement	Replace relays and transfer trip between the TPP and 500kV switchyard and between the 230kV and 500kV switchyards.	\$ 7.6	\$ 9.6	\$ 7.3	9/30/14	12/31/14
Grand Coulee Pre Overhaul - Winding Replacement G19, G20	Replace the stator core and windings on units G19 and G20.	N/A ⁴	N/A ⁴	\$ 1.1	5/31/13	4/29/18
Grand Coulee Stator Windings, Cores and Spare G1-G18	Replace 14 stator cores and windings. G4,5,7,9 were previously replaced.	N/A ⁴	N/A ⁴	\$ -	12/2/23	12/2/23
Grand Coulee Exciter Replacements G1-G18	Replace the excitation equipment for all 18 units.	N/A ⁴	N/A ⁴	\$ -	12/2/23	12/2/23
Grand Coulee Governor Replacements G1-G18	Replace the governors and related equipment for all 18 units.	N/A ⁴	N/A ⁴	\$ -	12/2/23	12/2/23
Grand Coulee Transformer Replacements G11-G18	Replace 24 single-phase transformers in the Right Powerhouse.	N/A ⁴	N/A ⁴	\$ 0.1	10/31/18	10/31/18
Grand Coulee - Keys Pump Generating Station - Reliability	Replacements and upgrades to maintain current station capability.	N/A ⁴	N/A ⁴	\$ -	9/30/24	9/30/24
Grand Coulee G22 - G23 Wicket Gate Replacements	Replace the deteriorating wicket gates.	N/A ⁴	N/A ⁴	\$ -	11/1/18	11/1/18
Chief Joseph Turbine Runner Replacements Units 1 - 16	Replace the turbine runners and rehabilitate the turbines on units 1 - 16.	\$ 166.0	\$ 166.0	\$ 116.9	9/30/17	9/30/17
Chief Joseph Exciter Replacement	Replace excitation units (17 to 27) that have reached the end of their useful lives.	\$ 9.2	\$ 9.2	\$ 7.8	12/30/15	2/28/15
Chief Joseph Governor Replacement	Upgrade the 27 governors with digital controls and replace associated equipment.	\$ 10.7	\$ 10.7	\$ 3.1	8/19/17	9/30/17
McNary Main Unit 1-4, 7-12 Stator Winding Replacement	Replace stator windings that are over 50 years old.	\$ 80.0	\$ 80.0	\$ 71.0	12/31/14	8/1/15
McNary Governor Replacement	Upgrade the 14 governors in the McNary powerhouse with digital controls.	N/A ⁴	N/A ⁴	\$ 1.5	1/29/18	1/29/18
McNary 4160/480V Station Service Upgrade	Replace and upgrade the station service distribution system.	\$ 36.0	\$ 45.0	\$ 4.0	12/3/18	12/3/18
Bonneville Powerhouse 1 Main Unit Breakers and Station Service	Replace oil-filled original equipment breakers and reconfigure and modernize the station service.	N/A ⁴	N/A ⁴	\$ 0.2	4/20/18	3/20/18
John Day Governor Upgrade	Upgrade of the governors with digital controls and replacement of associated components.	N/A ⁴	N/A ⁴	\$ 3.2	10/23/14	10/26/16

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³Actual costs are project costs to date.

⁴Contracts have not been awarded - cost estimates are confidential

Major Capital Projects ¹ - End-of-Project Target Performance					Q4 2014	
		Direct Capital \$M ²			In-Service Date	
Project	Description	Target	Forecast	Actual ³	Target	Forecast
Federal Hydro - continued						
John Day Turbine Hub Upgrades	Rebuild and upgrade up to five turbine runner hubs. Four additional hubs may be rebuilt under a future amendment to this project.	\$ 39.3	\$ 39.3	\$ 0.6	12/31/18	12/31/18
Ice Harbor Turbine Runner Replacement	Replace poor condition turbine runners in units 1, 2 & 3 with a more fish-friendly design.	\$ 97.0	\$ 97.0	\$ 11.8	10/1/18	10/1/18
Lower Monumental U1 Linkage Refurbishment	Refurbish turbine linkage and rew ind generator.	N/A ⁴	N/A ⁴	\$ 1.2	3/1/16	3/1/16
Hungry Horse Station Service Replacement	Replace station service switchgear distribution board/feeder cables and upgrade relay protection/metering.	N/A ⁴	N/A ⁴	\$ 2.7	1/31/15	9/30/16
Hills Creek Powerhouse Turbine and Unit Rehabilitation	Replace turbine runners and generator windings on units 1 and 2 at Hills Creek.	\$ 24.1	\$ 24.1	\$ 14.9	8/12/14	3/31/15
Black Canyon Third Generating Unit	Add a third generating unit at Black Canyon. The capacity of the unit w ill be betw een 10 and 15 MW.	N/A ⁴	N/A ⁴	\$ 7.0	12/31/14	12/31/18
Palisades Turbine Rehabilitation and Runner Replacement	Replace the turbine runners and rehabilitate the turbines on the four Palisades units.	\$ 28.8	\$ 30.3	\$ 22.4	5/31/16	11/30/16
Big Cliff Spillway Gate Rehabilitation	Rebuild the three tainter spillw ay gates at Big Cliff.	\$ 11.0	\$ 11.0	\$ 9.9	9/6/14	6/4/14

IT						
IT Virtualization and Consolidation Project (IVC)	Replace and modernize server infrastructure for non-critical business systems.	\$ 25.1	\$ 24.3	\$ 19.3	9/30/14	8/31/15
Columbia Vista Short Term Replacement (CV-STR)	Replace the current hydro modeling functionality and associated database tool.	\$ 7.1	\$ 7.2	\$ 3.3	9/25/15	9/25/15

Facilities						
Eastside Alternate Operating Facility	Spokane-area facility for redundant transmission and power scheduling functions and alarm monitoring.	\$ 17.5	\$ 22.0	\$ 20.5	3/31/14	11/28/14
Tri Cities Maintenance Headquarters and Franklin Yard	Construct Tri-Cities maintenance HQ, heat line for spare transformers and a spare parts yard at Franklin.	\$ 14.2	\$ 15.0	\$ 10.7	12/31/13	9/30/15
Ross Maintenance Headquarters	Construct a maintenance HQ office building, high-bay structure and lay-down storage area on the Ross complex.	\$ 15.5	\$ 15.5	\$ 0.4	8/1/17	8/1/17

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³ Actual costs are project costs to date.

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⁴ Contracts have not been awarded - cost estimates are confidential

Capital Investment Prioritization Methodology

Mike DeWolf
Asset Manager

Doug Ballou
Asset Strategist

Ingredients of NEBR and the Net BPA Cash Flow metrics

$$\text{Net Economic Benefit Ratio} = \frac{\text{PV Economic Benefits} - \text{PV Project Investment} - \text{PV Post-Project Costs}}{\text{PV Project Investment}}$$

“PV Economic Benefits” includes the present value of (examples):

- Avoided congestion costs (avoided fuel and other production costs that are enabled by adding capacity on constrained transmission paths)
- Avoided power purchase costs or increased power sales
- Incremental revenue (i.e., revenue beyond that needed to recover project investment and post project costs)
- Labor cost savings through process efficiencies
- Avoided customer value losses from outages
- Avoided CO2 or other environmental costs (monetized)

“PV Project Investment” includes the present value of:

- Upfront project costs (project planning, environmental review (NEPA), land/land rights acquisition, procurement, construction/installation)

“PV Post-Project Costs” includes the present value of:

- Maintenance and operations costs that would be incurred to sustain the asset after it is in service, e.g., maintenance, repairs, component replacements, monitoring, licensing (IT), other support

The Net BPA Cash Flow metric is constructed in the same way, but it only counts the costs and benefits that would impact BPA cash

“Bang for the buck” ratio

Cycle 3 Investments in Play

(Excerpt from Nov QBR)

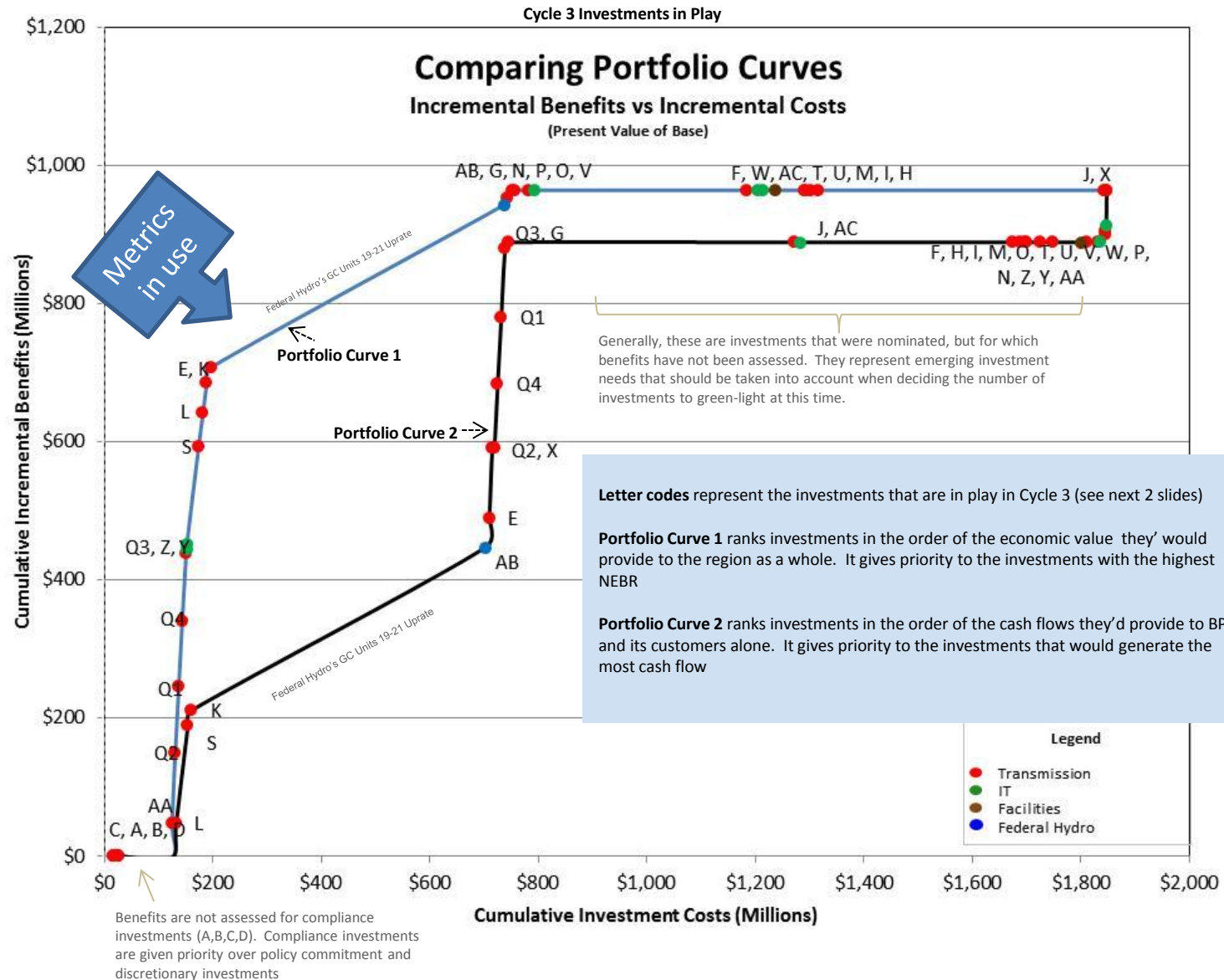
Analytical results and rankings

<input checked="" type="checkbox"/> = Investment was in play in Cycles 1/2 Green shading = investments selected for the portfolio				Cycles 1/2	Cycle 3					
				CIR	Order on funding curve		Present values		\$000	
Investment	#	Asset Category	Classification	Selected Portfolio	Portfolio Curve 1	Portfolio Curve 2	NEBR	Net BPA Cashflow Ratio	Investment cost*	Remarks
PMUs FY 2015-2017 (Phasor Measurement Units)	A	TX	Compliance	<input checked="" type="checkbox"/>	1	1	-1.0	-1.0	18,148	Project has been authorized
DeMoss-Fossi Shunt Reactive Project	B	TX	Compliance	<input checked="" type="checkbox"/>	1	1	-1.0	-1.0		Project has been authorized
FY 2015 Fault Duty Program	C	TX	Compliance		1	1	-1.0	-1.0	16,114	New nomination. Assessment complete
Lower Valley Upgrade	D	TX	Compliance		1	1	-1.0	-1.0	97,800	New nomination. Assessment complete
Anaconda_Dixon_Silver Bow Transformer/Area Improvements	E	TX	Discretionary		10	7	5.4	0.9	6,558	New nomination. Assessment complete
Boardman to Hemingway	F	TX	Discretionary	<input checked="" type="checkbox"/>			-1.0	-1.0	375,000	Benefits not yet assessed
O&M Flex Project - Carlton Substation Sectionalization	G	TX	Discretionary	<input checked="" type="checkbox"/>	14	13	0.5	-0.8	6,126	Assessment complete
DATS System Replacement	H	TX	Discretionary				-1.0	-1.0	13,625	New nomination. Benefits not yet assessed
Hot Springs to Garrison Fiber Optic Cable Upgrade	I	TX	Discretionary				-1.0	-1.0	8,488	New nomination. Benefits not yet assessed
I-5 Corridor	J	TX	Policy Commitment	<input checked="" type="checkbox"/>			-1.0	-1.0	574,509	Benefits not yet assessed
Kalispell to Kerr to Hotsprings Fiber Optic Cable Installation	K	TX	Discretionary		12	5	2.3	1.6	7,238	New nomination. Assessment complete
Monroe 500kV Line Retermination	L	TX	Discretionary	<input checked="" type="checkbox"/>	11	3	5.0	5.2	8,474	Project has been authorized
Northern Intertie Separation RAS	M	TX	Policy Commitment				-1.0	-1.0	3,125	New nomination. Benefits not yet assessed

Metrics
in use

* Investment costs include both capital and expense costs, with transmission indirects and corporate overheads. AFUDC excluded

(Excerpt from Nov QBR)



Benefits of Anaconda-Dixon-Silver Bow Reinforcements

Benefit	Description	Assessment Worksheet	Assessments
Reduced Maintenance Costs	Fewer equipment to maintain and newer equipment which requires less maintenance and corrective work. Assess hours of annual maintenance	Ongoing Cost	<ul style="list-style-type: none"> # of equipment Maintenance cost per equipment # of repairs Cost per repair
Improved Equipment Reliability	Existing Anaconda Transformer Bank has high likelihood of failure. Replacement of transformer bank will reduce risk of equipment failure.	Reliability - equipment	<ul style="list-style-type: none"> Failure curves for each equipment type
Avoided Planned Outage Cost	Planned outages result in customers in the dark at Dixon with current system configuration. System will be re-configured to eliminate this outage to do maintenance.	Reliability	<ul style="list-style-type: none"> Frequency Duration By equipment type
Avoided Unplanned Outage Cost	Reduction in # of equipment will reduce the frequency of unplanned outages. Also, newer equipment will reduce the likelihood of an unplanned outage.	Reliability	<ul style="list-style-type: none"> Likelihood Duration Load
Avoided Transformer & Line Losses	High energy losses due to over-sized transformer at Anaconda given current loads. Silver Bow transformer also has energy losses, which this project will remove. Anaconda-Silver Bow line will operate at a lower (69kV) voltage which will increase line energy losses. The project will reduce energy losses at transformers but increase line energy losses.	Benefit - Other	<ul style="list-style-type: none"> KWh losses, annually Line losses Energy Market Price
Reduced Risk of Environmental Damage	Existing Anaconda Transformer Bank 1 has a high likelihood of failure. If it fails there is a risk of a spill of 40k gallons oil, and risk of releasing into environment. This project includes improvements in oil containment facilities.	BBO	<ul style="list-style-type: none"> Likelihood Cost
Extended Asset Life	Preventative maintenance on transformers, breakers and relays could be deferred because planned outages with current configuration requires Dixon customers are without power. Found no evidence this is the case.	Benefit – Other	<ul style="list-style-type: none"> Life cycle cost of equipment Economic life of equipment
Value of Retired Assets	Recently installed breakers at Silver Bow will be taken out of service. These can be reused somewhere else on the system, thereby avoided future breaker purchases.	Benefit – Other	<ul style="list-style-type: none"> # of Breakers Remaining life Cost new
Avoided Need of Future Replacements	Subs AC Program plans to eventually replace the Anaconda Transformer Bank #1 at some future date if this project does not go forward.	Benefit – Periodic Benefits	<ul style="list-style-type: none"> Funding impact

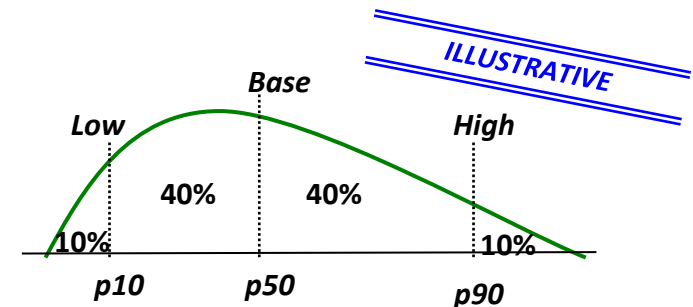
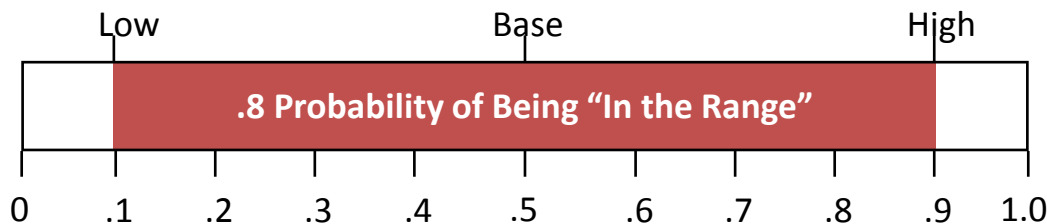
Sample

We use historical data, SME input and other sources to capture uncertainty ranges for each cost and benefit driver

We use a low / base / high range to capture key cost and benefit uncertainties

Definition

Low	There is only a 10 percent probability that the variable will be <i>less than or equal to</i> this value
High	There is only a 10 percent probability that the variable will be <i>greater than</i> this value.
Base Case	There is a 50 percent probability that the variable will be <i>less than or equal to</i> this value.



There is no 'correct' risk range – it is a reflection of the best collective judgment on the range of possibilities

FY 2015 Expense Cost Management

Brian McConnell
Manager, Budget Planning and Forecasting

Background

- Integrated Program Review (IPR) expense budgets feed into rate-setting process
- Developed four Planning Pools (aka Budget Pools), each managed by an executive, to encourage discussions of trade-offs and prioritization of funding needs
- Budget Pools Developed during IPR
 - Chief Operating Officer (COO) Pool
 - Deputy Administrator Pool
 - Power VP Pool
 - Transmission VP Pool

FY 2015 Actions/Expectations

- Kept Budget Pools for start-of-year (SOY) budget development and within year budget execution assessment
- Quarterly meeting with each executive budget pool manager and their direct reports
- Encouraging accountability, collaboration, and discussions of trade-offs and the prioritization of funding needs as the fiscal year evolves
- Expect BPA will manage overall expense budget more efficiently and effectively, ensuring that the highest priority work is getting done

**Material to be provided
during meeting**

Energy Efficiency Momentum (Non-Programmatic) Savings Methodology

**It all counts:
Capturing all Energy Efficiency**

Carrie Cobb
Public Utilities Specialist (Energy Efficiency)

Network Projects Approved During the Previous Quarter

Glenn Russell
Electrical Engineer

Planned Network Additions Associated With Interconnection Requests

The following are planned Network additions associated with requested line/load and generation interconnections that were recently approved:

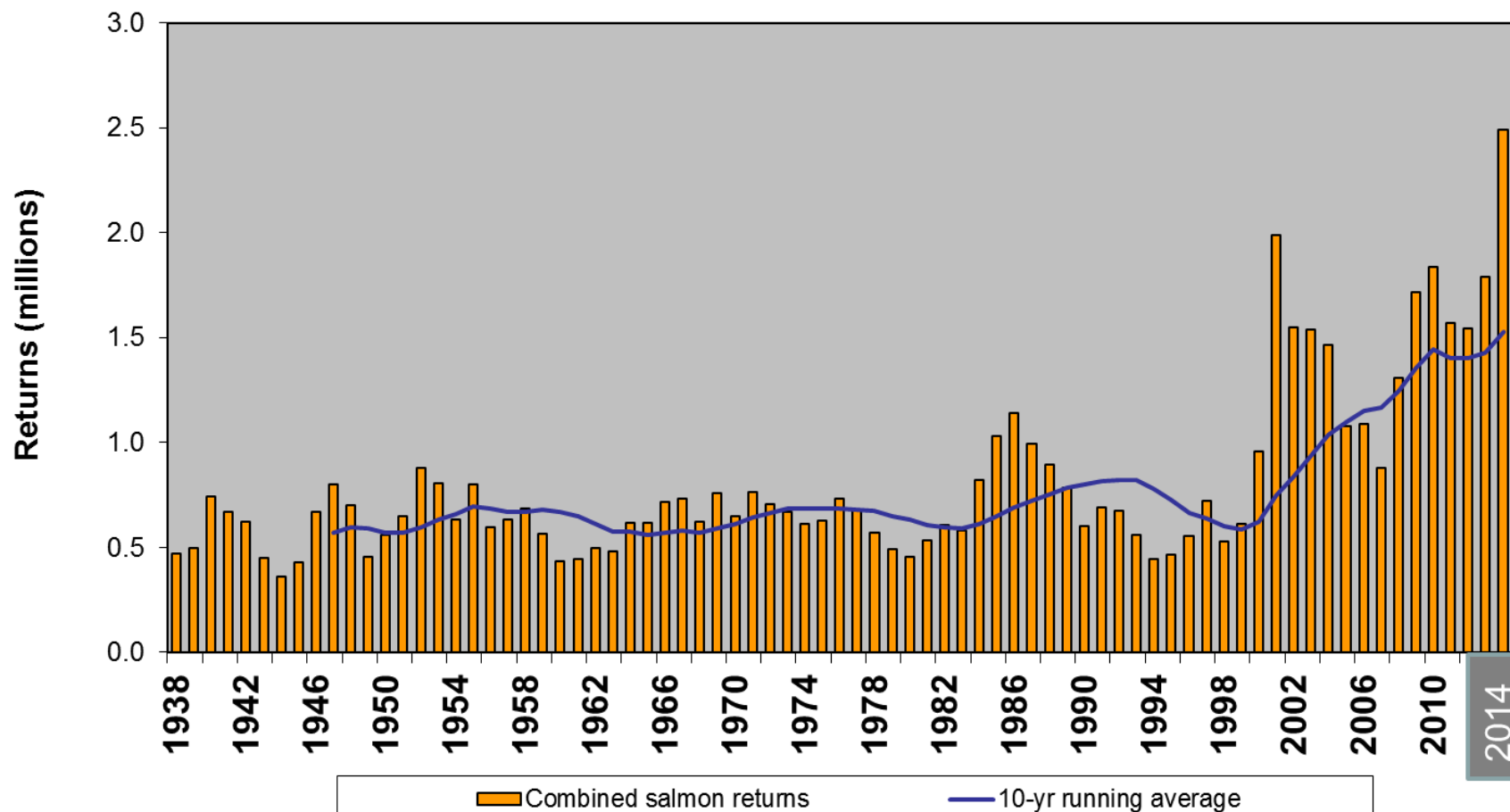
<u>QUEUE #</u>	<u>DESCRIPTION OF NETWORK ADDITION</u>
G0385	New line tap on BPA's LaPine-Fort Rock line. Includes two new disconnect switches.
L0349	New line terminal in BPA's Canby Sub. Includes one power circuit breaker, two disconnect switches and metering.
L0358	New line tap on BPA'S East Ellensburg Tap line. Includes one new disconnect switch.

Columbia Basin Salmon and Steelhead What's Driving the Great Fish Returns?

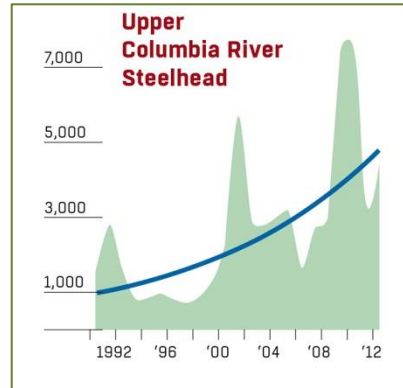
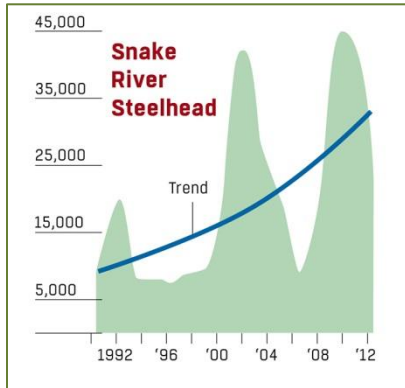
Agnes Lut
BPA, Environment Fish and Wildlife

Wild and Hatchery Returns

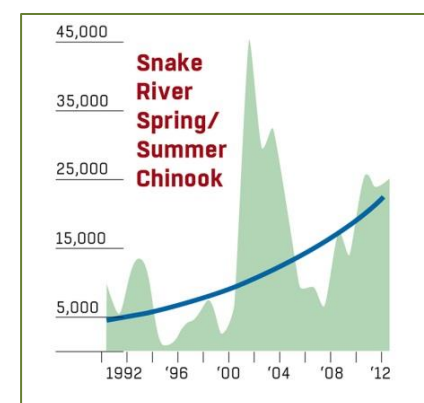
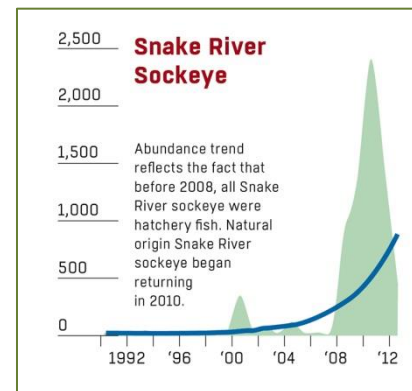
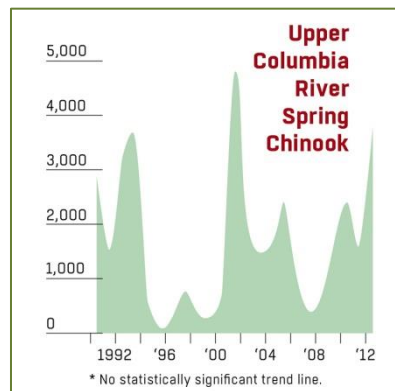
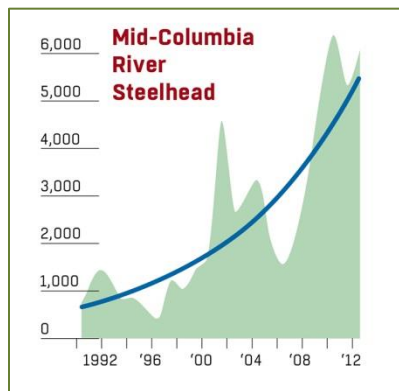
Combined Chinook, coho, sockeye, steelhead returns (adult and jack)
at Bonneville Dam, 1938 to 2014



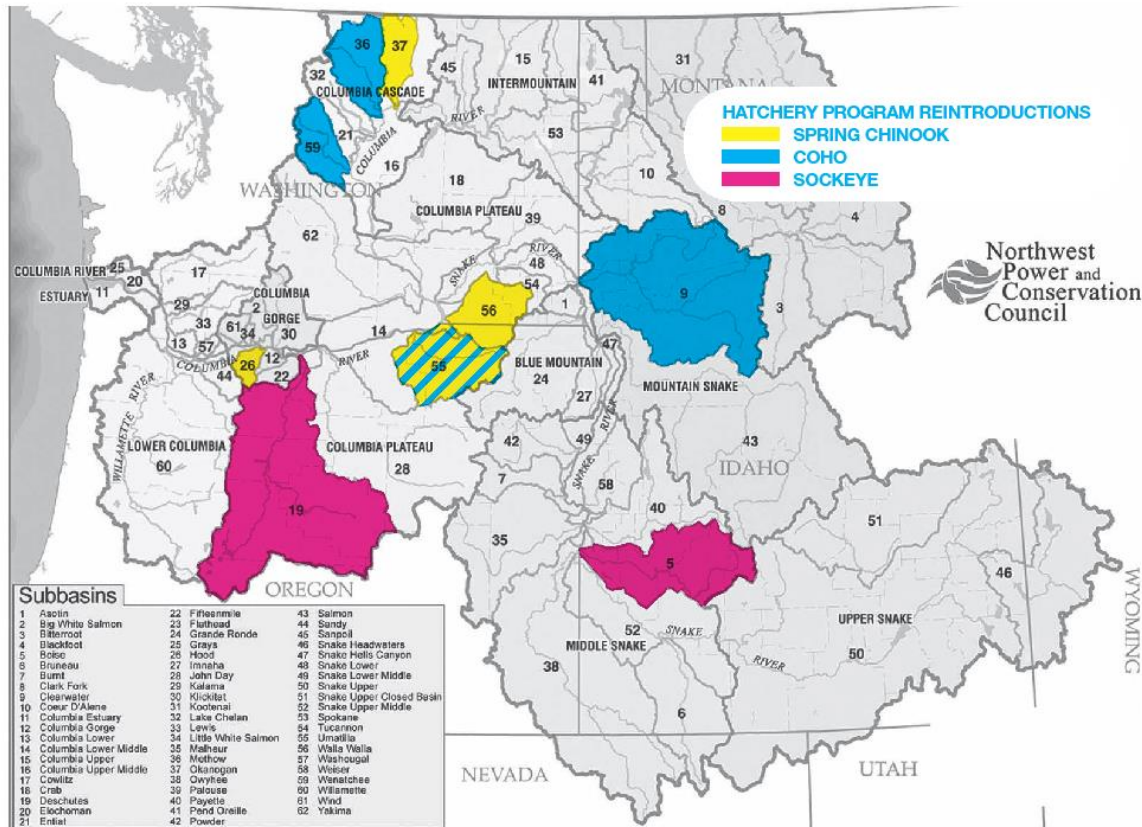
Wild Fish Abundance



- Of 49 Columbia Basin wild adult fish populations where data are available, 47 have increased in abundance since listings in the 1990s.
- On average, wild chinook salmon have more than tripled in abundance. Wild steelhead have more than doubled.



Fish are Being Re-introduced Where They Had Been Extirpated

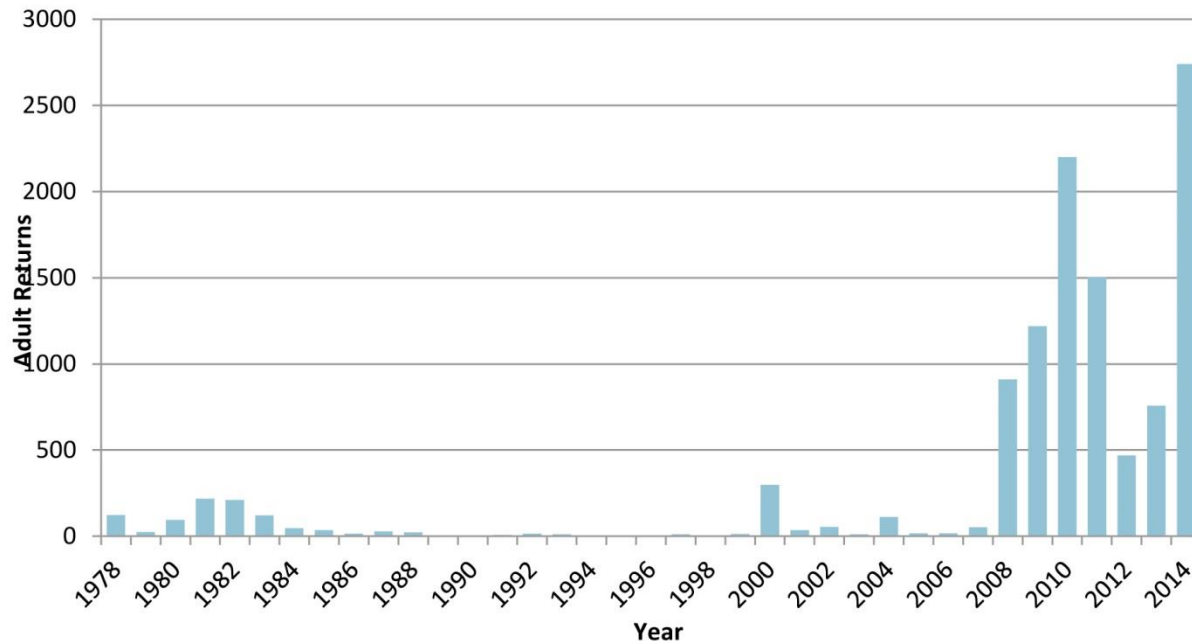


- Spring chinook, coho and sockeye salmon have been reintroduced throughout the Columbia Basin.
- Harvest opportunities have been re-opened in many areas where they have been closed since the 1970s – or even earlier.

Successful Sockeye Returns

- Snake River sockeye have gone from Lonesome Larry to record returns. Almost half of the sockeye returning to Redfish Lake this year were born in the wild.
- 1,553 Snake River sockeye returned to Redfish Lake as of mid-October.

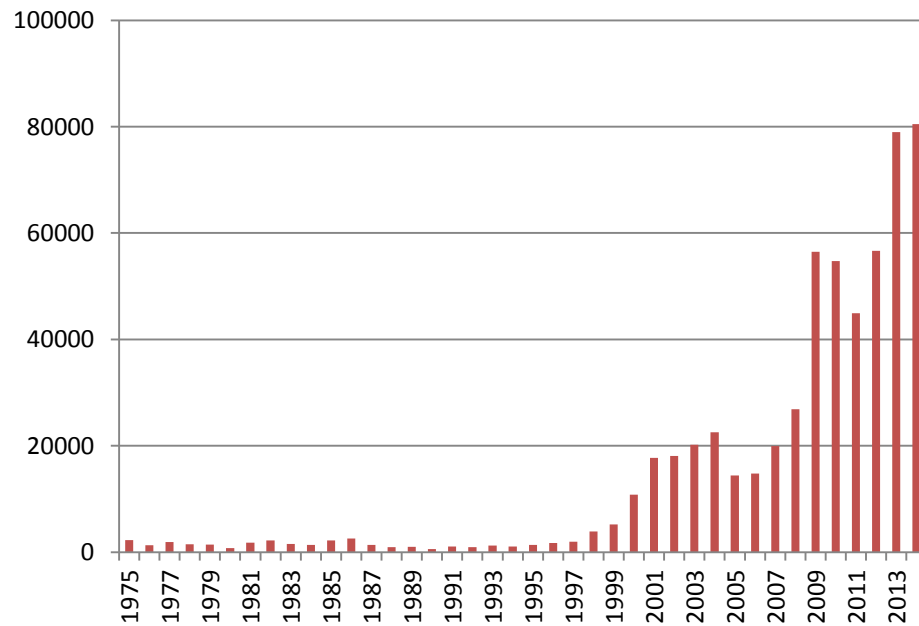
Sockeye Returns to Lower Granite Dam



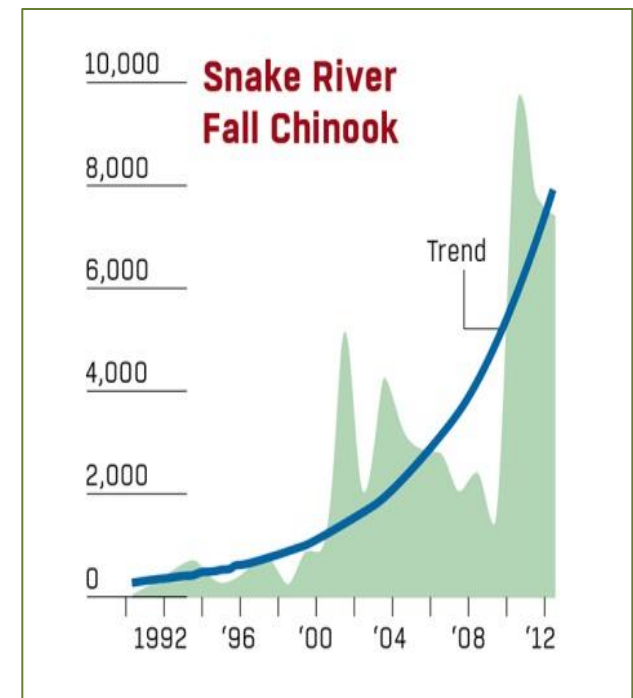
Snake River Fall Chinook

Snake River Fall Chinook have exceeded delisting goals, based on abundance of wild fish.

Snake River Fall Chinook Returns to Lower Granite Dam



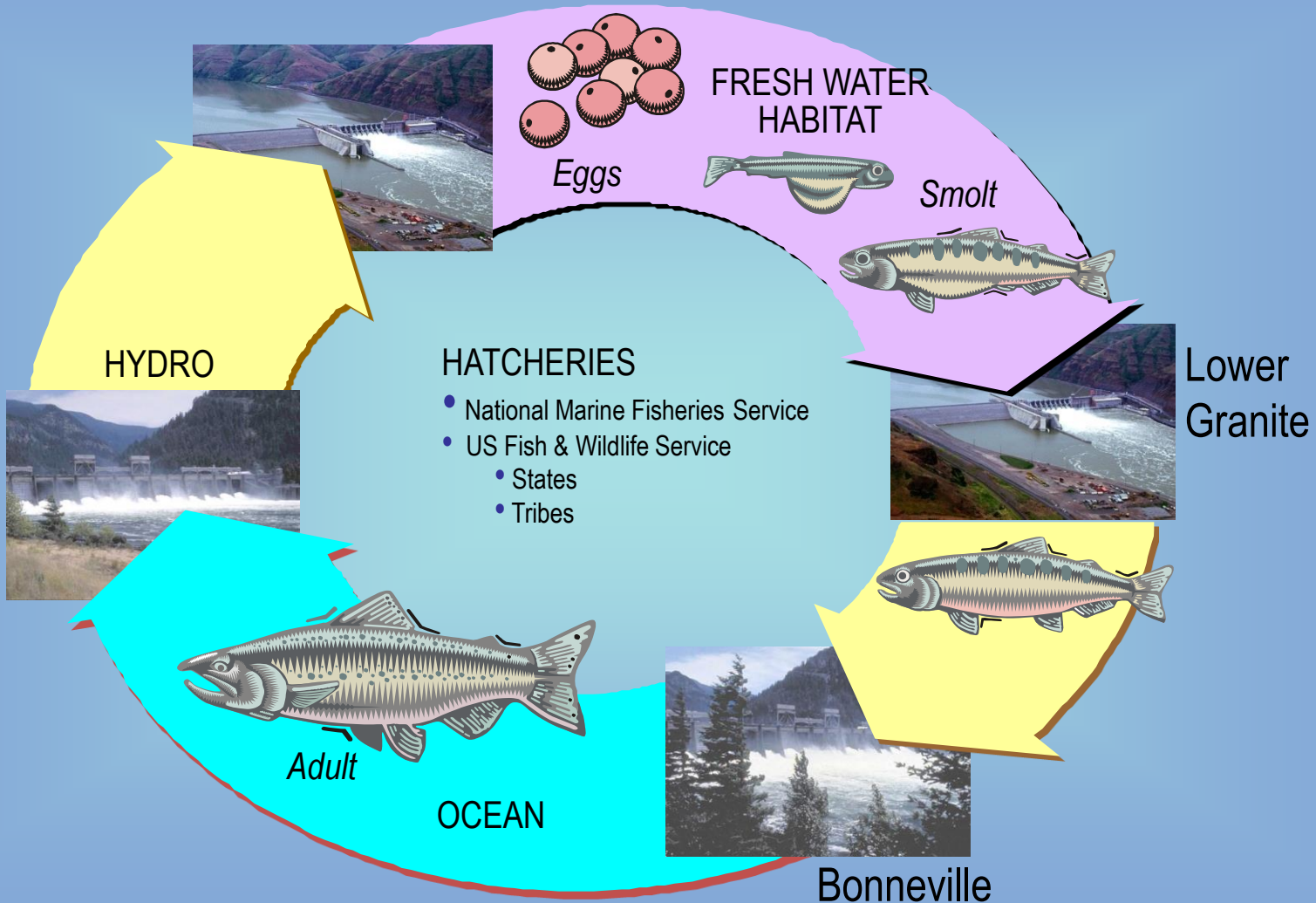
Wild fish abundance

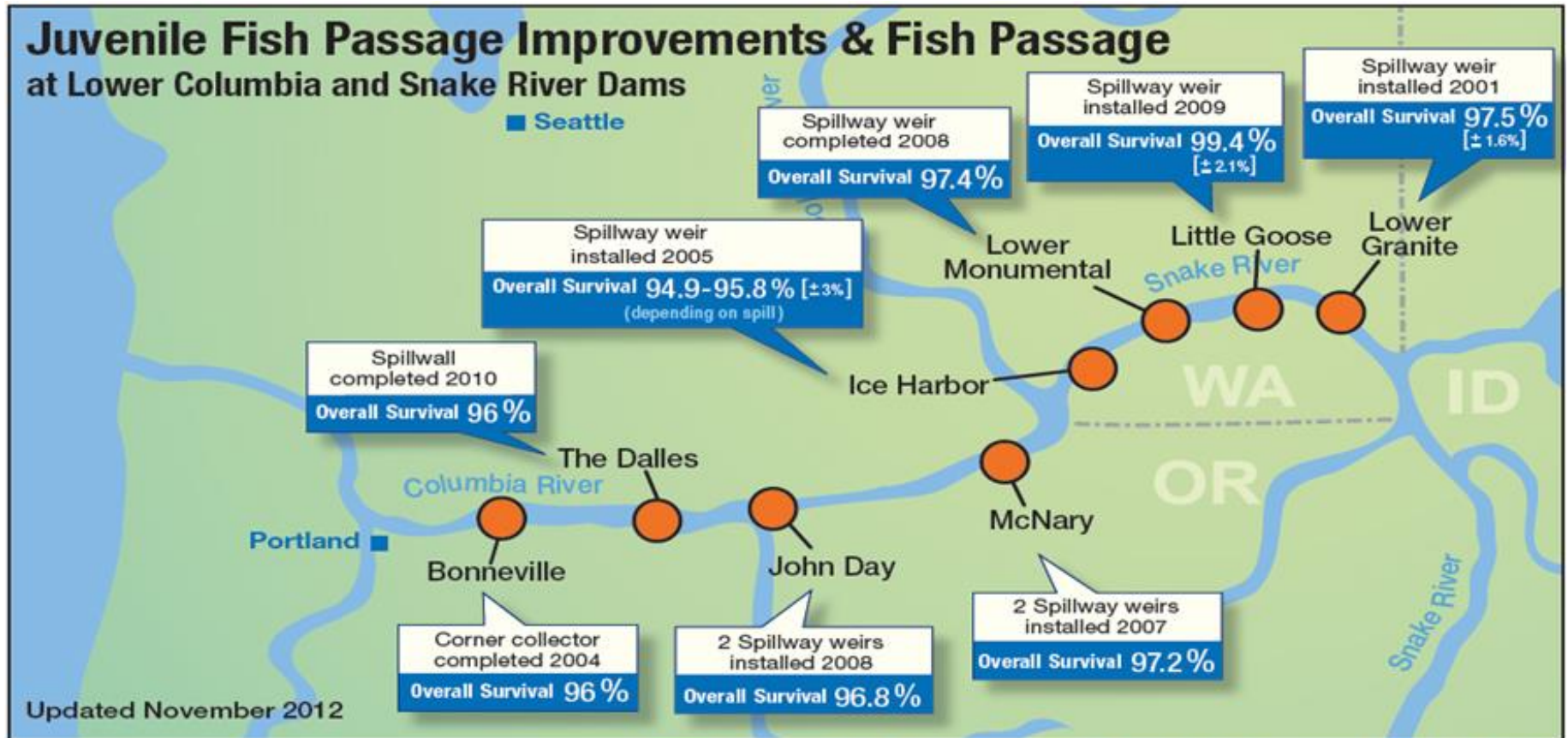


Pioneering Hatchery Design



All H Approach: River – Ocean - River





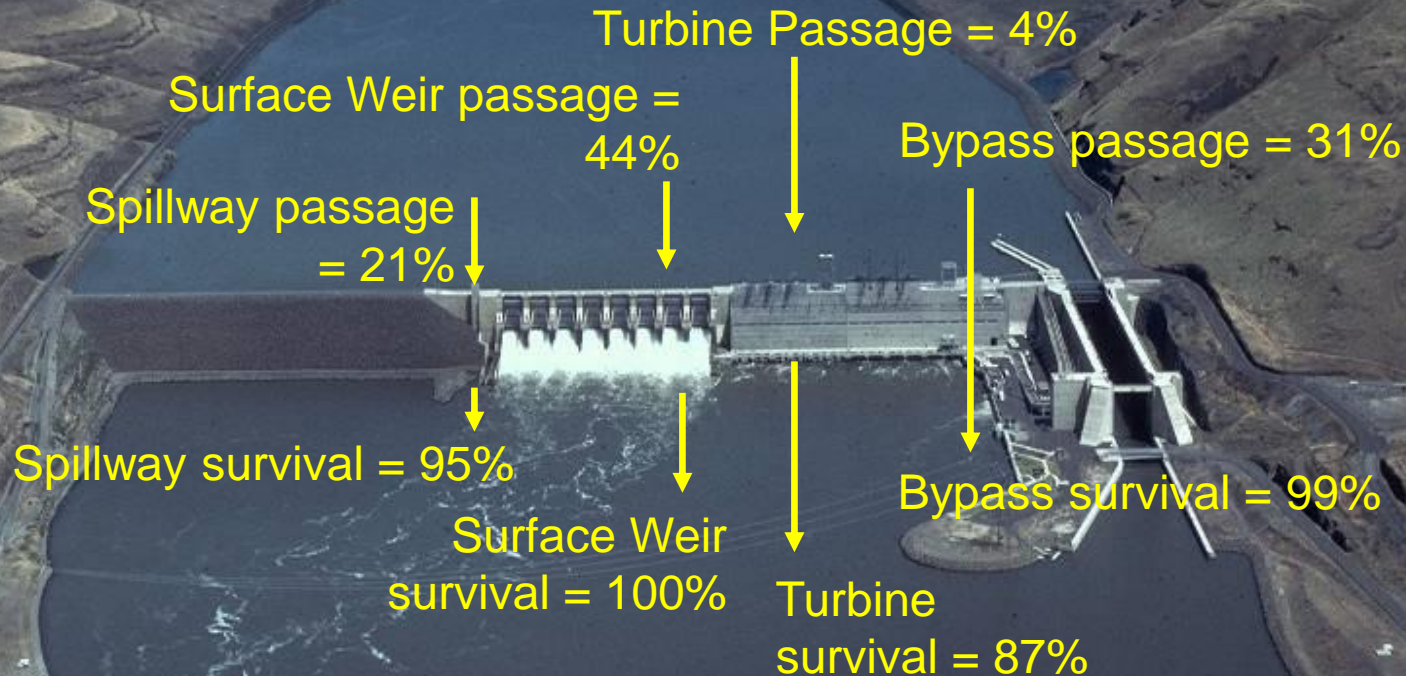
NOTE: Overall survival numbers are most recent data for yearling (spring) chinook.

- Survival through hydro system has been significantly improved primarily due to surface passage and spill.
- Performance standards are 96%/93% average survival per dam; the federal action agencies are on track to meet the juvenile survival targets in NOAA Fisheries biological opinion.

Little Goose Dam

2012 Passage and Survival Metrics

Yearling Chinook Salmon



Overall Survival = 98.2% ($\pm 0.8\%$)

BiOp Survival Performance Standard: 96%

Actual Spring Spill Operation-
32% of River Flow 24 hrs/day

Oldenburg et al.
2012
Draft Report- PNNL

BiOp Habitat Restoration

Since 2005:

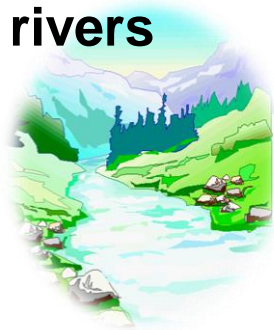
**Over 390,000 acres of habitat protected through purchase,
lease or easement**

(larger than Mount Rainier National Park)



**Reopened or improved access to more than 2,200 miles of rivers
and streams**

(more than the length of the Columbia River)



More than 320,000 acre feet of water protected and flowing
(more than Seattle residents use in a year)



FCRPS Fish Returns are Improving

- Partnerships and science put us on track for BiOp goals.
- Habitat restoration provides demonstrated benefits for fish in their first year of life.
- Juvenile fish survival past the dams has improved substantially.
- Fishery managers are predicting strong returns of wild and hatchery-raised salmon to the Columbia River in 2015.

Appendix 1

Report ID: 0020FY15 Requesting BL: CORPORATE BUSINESS UNIT Unit of measure: \$ Thousands		FCRPS Summary Statement of Revenues and Expenses Through the Month Ended December 31, 2014 Preliminary/ Unaudited		Run Date/Run Time: January 29,2015/ 11:33 Data Source: EPM Data Warehouse % of Year Elapsed = 25%			
		A	B	C	D	E <Note 1	F
		FY 2014		FY 2015			FY 2015
		Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
Operating Revenues							
Gross Sales (excluding bookout adjustment) <Note 3		\$ 830,937	\$ 3,464,795	\$ 3,396,493	\$ 3,306,405	\$ 3,378,793	\$ 845,042
Bookout adjustment to Sales		(8,085)	(38,281)	-	-	(4,959)	(4,959)
Miscellaneous Revenues		15,672	65,378	62,696	65,309	68,984	16,363
U.S. Treasury Credits		29,489	108,453	97,596	99,826	82,268	26,309
Total Operating Revenues		868,013	3,600,346	3,556,786	3,471,540	3,525,086	882,754
Operating Expenses							
Power System Generation Resources							
Operating Generation Resources							
Columbia Generating Station		69,550	297,825	338,558	330,763	329,763	89,683
Bureau of Reclamation		26,525	137,695	143,033	152,533	152,533	25,976
Corps of Engineers		48,727	223,451	231,878	237,378	237,378	52,564
Long-term Contract Generating Projects		3,439	20,969	26,619	27,843	27,843	7,431
Operating Generation Settlement Payment		5,476	19,225	21,906	21,497	21,863	5,466
Non-Operating Generation		355	160	2,228	1,467	1,467	389
Gross Contracted Power Purchases and Augmentation Power Purch		75,832	237,500	149,531	104,278	53,456	12,094
Bookout Adjustment to Power Purchases		(8,085)	(38,281)	-	-	(4,959)	(4,959)
Exchanges & Settlements <Note 3		50,457	201,345	201,899	201,500	201,500	50,172
Renewables		6,004	35,812	40,038	40,224	40,332	8,448
Generation Conservation		7,984	37,531	49,320	48,552	48,728	9,414
Subtotal Power System Generation Resources		286,264	1,173,232	1,205,010	1,166,035	1,109,904	256,678
Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 2		14,309	55,513	58,806	59,403	59,403	13,834
Power Services Non-Generation Operations		18,056	75,587	94,965	91,532	90,277	17,462
Transmission Operations		32,336	131,396	144,346	144,206	143,252	31,677
Transmission Maintenance		31,443	153,989	157,893	161,177	161,434	33,819
Transmission Engineering		10,932	52,705	41,769	47,007	50,329	11,864
Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 2		2,528	13,123	10,212	16,160	22,750	11,902
Transmission Reimbursables		3,241	12,866	10,745	10,745	9,441	1,629
Fish and Wildlife/USF&W/Planning Council/Environmental Requirements		72,595	271,962	301,339	301,823	301,492	78,499
BPA Internal Support							
Additional Post-Retirement Contribution		9,251	37,002	37,638	37,638	37,638	9,410
Agency Services G&A		28,891	126,550	119,298	124,324	123,732	27,107
Other Income, Expenses & Adjustments		(1,107)	(3,582)	-	(15,000)	(2,620)	(552)
Non-Federal Debt Service		192,294	355,828	657,557	405,703	405,703	99,277
Depreciation & Amortization		109,327	440,524	436,920	455,608	455,608	111,745
Total Operating Expenses		810,359	2,896,696	3,276,498	3,006,364	2,968,343	704,349
Net Operating Revenues (Expenses)		57,654	703,649	280,287	465,177	556,742	178,405
Interest Expense and (Income)							
Interest Expense		93,904	333,820	437,724	358,489	360,767	88,241
AFUDC		(11,617)	(50,236)	(50,409)	(60,000)	(60,000)	(13,322)
Interest Income		(4,806)	(23,446)	(27,588)	(14,042)	(16,059)	(3,024)
Net Interest Expense (Income)		77,482	260,138	359,726	284,447	284,708	71,895
Net Revenues (Expenses)		\$ (19,828)	\$ 443,512	\$ (79,439)	\$ 180,730	\$ 272,035	\$ 106,510

- <1 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties among other factors may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.
- <2 The consolidated FCRPS Statement reduces reported Revenues and Expenses where between business line transactions occur, the most significant of which are for Transmission Acquisition and Ancillary Services.
- <3 The Residential Exchange Program expenses reflect the Scheduled Amount of REP benefits payments established in the 2012 REP Settlement Agreement. The Scheduled Amount of REP benefit payments incorporates a \$76,537,617 reduction in REP benefits to provide Refund Amount payments to COUs. The Refund Amount returned to the COUs is reflected through a reduction in the Gross Sales amount.

Report ID: 0060FY15

Power Services Detailed Statement of Revenues and Expenses

Run Date\Time: January 29, 2015 11:34

Requesting BL: POWER BUSINESS UNIT

Through the Month Ended December 31, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 25%

	A	B	C	D <Note 1	E	F
	FY 2014	FY 2015			FY 2015	FY 2015
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
Operating Revenues						
1 Gross Sales (excluding bookout adjustment) <Note 2	\$ 2,572,333	\$ 2,500,387	\$ 2,411,110	\$ 2,482,032	\$ 618,519	25%
2 Bookout Adjustment to Sales	(38,281)	-	-	(4,959)	(4,959)	100%
3 Miscellaneous Revenues	26,170	29,953	31,394	34,799	8,385	24%
4 Inter-Business Unit	142,244	112,910	134,767	134,950	31,707	23%
5 U.S. Treasury Credits	108,453	97,596	99,826	82,268	26,309	32%
6 Total Operating Revenues	2,810,919	2,740,845	2,677,096	2,729,090	679,960	25%
Operating Expenses						
Power System Generation Resources						
Operating Generation						
7 COLUMBIA GENERATING STATION	297,825	338,558	330,763	329,763	89,683	27%
8 BUREAU OF RECLAMATION	137,695	143,033	152,533	152,533	25,976	17%
9 CORPS OF ENGINEERS	223,451	231,878	237,378	237,378	52,564	22%
10 LONG-TERM CONTRACT GENERATING PROJECTS	20,969	26,619	27,843	27,843	7,431	27%
11 Sub-Total	679,940	740,088	748,517	747,517	175,655	23%
Operating Generation Settlements and Other Payments						
12 COLVILLE GENERATION SETTLEMENT	19,225	21,906	21,497	21,863	5,466	25%
13 Sub-Total	19,225	21,906	21,497	21,863	5,466	25%
Non-Operating Generation						
14 TROJAN DECOMMISSIONING	972	1,500	1,000	1,000	295	30%
15 WNP-1&4 O&M	(811)	728	467	467	94	20%
16 Sub-Total	160	2,228	1,467	1,467	389	26%
Gross Contracted Power Purchases (excluding bookout adjustments)						
17 PNCA HEADWATER BENEFITS	2,750	3,030	3,000	2,800	700	25%
18 PURCHASES FOR SERVICE AT TIER 2 RATES	4,925	24,869	24,656	24,656	6,213	25%
19 OTHER POWER PURCHASES - (e.g. Short-Term)	229,825	26,720	76,622	26,000	5,181	20%
20 Sub-Total	237,500	54,618	104,278	53,456	12,094	23%
21 Bookout Adjustments to Contracted Power Purchases	(38,281)	-	-	(4,959)	(4,959)	100%
Augmentation Power Purchases						
22 AUGMENTATION POWER PURCHASES	-	94,913	-	-	-	0%
23 Sub-Total	-	94,913	-	-	-	0%
Exchanges & Settlements						
24 RESIDENTIAL EXCHANGE PROGRAM <Note 2	201,345	201,899	201,500	201,500	50,172	25%
25 Sub-Total	201,345	201,899	201,500	201,500	50,172	25%
Renewable Generation						
26 RENEWABLE CONSERVATION RATE CREDIT	-	-	-	-	-	0%
27 RENEWABLES	35,843	40,147	40,332	40,332	8,484	21%
28 Sub-Total	\$ 35,843	\$ 40,147	\$ 40,332	\$ 40,332	\$ 8,484	21%

Report ID: 0060FY15

Power Services Detailed Statement of Revenues and Expenses

Run Date/Time: January 29, 2015 11:34

Requesting BL: POWER BUSINESS UNIT

Through the Month Ended December 31, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 25%

	A	B	C	D <Note 1	E	F
	FY 2014	FY 2015			FY 2015	FY 2015
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
Generation Conservation						
29 DSM TECHNOLOGY	\$ -	\$ -	\$ -	\$ -	\$ -	0%
30 CONSERVATION ACQUISITION	12,416	16,754	14,695	14,871	2,585	17%
31 DR & SMART GRID	-	-	1,825	1,825	263	14%
32 LOW INCOME ENERGY EFFICIENCY	5,155	5,252	5,252	5,252	194	4%
33 REIMBURSABLE ENERGY EFFICIENCY DEVELOPMENT	6,217	12,083	13,000	13,000	2,030	16%
34 LEGACY	717	1,050	605	605	237	39%
35 MARKET TRANSFORMATION	13,026	14,180	13,175	13,175	4,105	31%
36 CONSERVATION RATE CREDIT (CRC)	-	-	-	-	-	0%
37 Sub-Total	37,531	49,320	48,552	48,728	9,414	19%
38 Power System Generation Sub-Total	1,173,264	1,205,118	1,166,143	1,109,904	256,713	23%
Power Non-Generation Operations						
Power Services System Operations						
39 INFORMATION TECHNOLOGY	4,165	6,735	5,435	5,435	1,239	23%
40 GENERATION PROJECT COORDINATION	6,478	7,268	7,778	8,098	1,158	14%
41 SLICE IMPLEMENTATION	902	1,126	1,077	1,044	217	21%
42 Sub-Total	11,545	15,129	14,290	14,576	2,614	18%
Power Services Scheduling						
43 OPERATIONS SCHEDULING	8,323	10,621	9,758	9,465	1,951	21%
44 OPERATIONS PLANNING	6,539	7,948	6,936	6,971	1,699	24%
45 Sub-Total	14,861	18,569	16,694	16,436	3,650	22%
Power Services Marketing and Business Support						
46 POWER R&D	6,360	5,936	7,428	7,306	737	10%
47 SALES & SUPPORT	18,827	21,339	21,397	21,781	4,723	22%
48 STRATEGY, FINANCE & RISK MGMT	11,770	20,360	18,602	16,947	2,948	17%
49 EXECUTIVE AND ADMINISTRATIVE SERVICES	4,162	4,369	4,109	4,005	691	17%
50 CONSERVATION SUPPORT	8,128	9,309	9,012	9,225	2,124	23%
51 Sub-Total	49,247	61,312	60,548	59,264	11,223	19%
52 Power Non-Generation Operations Sub-Total	75,654	95,010	91,532	90,277	17,487	19%
Power Services Transmission Acquisition and Ancillary Services						
PBL Transmission Acquisition and Ancillary Services						
53 POWER SERVICES TRANSMISSION & ANCILLARY SERVICES	109,190	94,474	92,296	97,043	19,425	20%
54 3RD PARTY GTA WHEELING	52,570	56,578	56,442	56,442	13,373	24%
55 POWER SERVICES - 3RD PARTY TRANS & ANCILLARY SVCS	2,943	2,333	2,961	2,961	461	16%
56 GENERATION INTEGRATION / WIT-TS	10,775	11,664	11,664	11,664	2,584	22%
57 TELEMETERING/EQUIP REPLACENT	-	53	-	-	-	0%
58 Power Svcs Trans Acquisition and Ancillary Services Sub-Tota	175,477	165,102	163,363	168,110	35,843	21%
Fish and Wildlife/USF&W/Planning Council/Environmental Req						
BPA Fish and Wildlife						
59 Fish & Wildlife	231,781	260,000	260,000	259,810	69,088	27%
60 USF&W Lower Snake Hatcheries	30,960	31,670	31,670	31,670	6,675	21%
61 Planning Council	9,727	10,799	10,784	10,642	2,835	27%
62 Fish and Wildlife/USF&W/Planning Council Sub-Total	\$ 272,467	\$ 302,469	\$ 302,454	\$ 302,122	\$ 78,597	26%

Report ID: 0060FY15

Power Services Detailed Statement of Revenues and Expenses

Run Date/Time: January 29, 2015 11:34

Requesting BL: POWER BUSINESS UNIT

Through the Month Ended December 31, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 25%

	A	B	C	D <Note 1	E	F
	FY 2014	FY 2015			FY 2015	FY 2015
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
BPA Internal Support						
63 Additional Post-Retirement Contribution	\$ 18,501	\$ 18,819	\$ 18,819	\$ 18,819	\$ 4,705	25%
64 Agency Services G&A (excludes direct project support)	58,267	57,215	57,410	57,240	12,606	22%
65 BPA Internal Support Sub-Total	76,768	76,034	76,229	76,059	17,311	23%
66 Bad Debt Expense	(2)	-	-	5	5	100%
67 Other Income, Expenses, Adjustments	(998)	-	(15,000)	(53)	(53)	100%
Non-Federal Debt Service						
Energy Northwest Debt Service						
68 COLUMBIA GENERATING STATION DEBT SVC	89,987	80,636	79,565	79,565	19,299	24%
69 WNP-1 DEBT SVC	(19,356)	184,536	41,258	41,258	11,866	29%
70 WNP-3 DEBT SVC	58,395	166,975	60,422	60,422	11,763	19%
71 Sub-Total	129,026	432,147	181,245	181,245	42,928	24%
Non-Energy Northwest Debt Service						
72 CONSERVATION DEBT SVC	2,511	312	312	312	312	100%
73 COWLITZ FALLS DEBT SVC	7,298	6,890	7,299	7,299	1,825	25%
74 NORTHERN WASCO DEBT SVC	1,931	1,929	1,929	1,929	483	25%
75 Sub-Total	11,740	9,131	9,540	9,540	2,620	27%
76 Non-Federal Debt Service Sub-Total	140,766	441,278	190,785	190,785	45,547	24%
77 Depreciation	132,491	134,164	140,300	140,300	33,651	24%
78 Amortization	94,776	95,117	91,928	91,928	23,337	25%
79 Total Operating Expenses	2,140,663	2,514,292	2,207,735	2,169,437	508,439	23%
80 Net Operating Revenues (Expenses)	670,256	226,553	469,361	559,653	171,521	31%
Interest Expense and (Income)						
81 Federal Appropriation	221,253	220,657	202,099	202,123	50,531	25%
82 Capitalization Adjustment	(45,937)	(45,937)	(45,938)	(45,938)	(11,484)	25%
83 Borrowings from US Treasury	29,837	73,235	48,648	48,324	11,900	25%
84 Customer Prepaid Power Purchases	14,775	14,041	14,041	14,041	3,580	25%
85 AFUDC	(9,375)	(11,175)	(11,000)	(11,000)	(2,534)	23%
86 Interest Income	(14,192)	(13,911)	(6,587)	(9,577)	(1,506)	16%
87 Net Interest Expense (Income)	196,361	236,909	201,263	197,974	50,487	26%
88 Total Expenses	2,337,024	2,751,202	2,408,998	2,367,411	558,925	24%
89 Net Revenues (Expenses)	\$ 473,895	\$ (10,357)	\$ 268,099	\$ 361,679	\$ 121,035	33%

- <1 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties among other factors may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.
- <2 The Residential Exchange Program expenses reflect the Scheduled Amount of REP benefits payments established in the 2012 REP Settlement Agreement. The Scheduled Amount of REP benefit payments incorporates a \$76,537,617 reduction in REP benefits to provide Refund Amount payments to COUs. The Refund Amount returned to the COUs is reflected through a reduction in the Gross Sales amount.

Report ID: 0061FY15	Transmission Services Detailed Statement of Revenues and Expenses	Run Date/Time: January 29, 2015 11:35
Requesting BL: TRANSMISSION BUSINESS UNIT	Through the Month Ended December 31, 2014	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Elapsed = 25%

	A	B	C	D -Note 1	E	F
	FY 2014	FY 2015			FY 2015	FY 2015
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
Operating Revenues						
Sales						
Network						
1 Network Integration	\$ 132,912	\$ 129,253	\$ 130,180	\$ 129,958	\$ 35,030	27%
2 Other Network	434,240	448,165	437,225	437,281	109,379	25%
3 Intertie	70,160	71,527	70,823	70,590	16,960	24%
4 Other Direct Sales	255,151	247,162	257,067	258,932	65,153	25%
5 Miscellaneous Revenues	39,208	32,744	33,915	34,185	7,978	23%
6 Inter-Business Unit Revenues	120,625	118,509	104,246	109,839	22,189	20%
7 Total Operating Revenues	1,052,296	1,047,359	1,033,457	1,040,785	256,690	25%
Operating Expenses						
Transmission Operations						
System Operations						
8 INFORMATION TECHNOLOGY	12,522	7,568	10,920	11,222	2,497	22%
9 POWER SYSTEM DISPATCHING	12,260	14,123	13,402	13,402	3,184	24%
10 CONTROL CENTER SUPPORT	19,368	19,298	18,388	18,491	5,774	31%
11 TECHNICAL OPERATIONS	5,854	6,974	6,845	6,936	1,507	22%
12 ENERGY IMBALANCE MARKET	-	-	3,947	3,546	-	0%
13 SUBSTATION OPERATIONS	22,787	22,815	21,070	21,085	5,517	26%
14 Sub-Total	72,791	70,779	74,571	74,682	18,480	25%
Scheduling						
15 RESERVATIONS	1,049	5,816	1,328	1,328	295	22%
16 PRE-SCHEDULING	328	252	261	261	59	23%
17 REAL-TIME SCHEDULING	4,056	5,537	4,708	4,708	1,088	23%
18 SCHEDULING TECHNICAL SUPPORT	3,940	1,031	4,064	3,804	905	24%
19 SCHEDULING AFTER-THE-FACT	240	229	273	273	50	18%
20 Sub-Total	9,612	12,865	10,634	10,374	2,397	23%
Marketing and Business Support						
21 TRANSMISSION SALES	2,418	3,062	2,628	2,628	578	22%
22 MKTG TRANSMISSION FINANCE	-	-	-	-	-	0%
23 MKTG CONTRACT MANAGEMENT	4,509	5,405	4,831	4,831	1,062	22%
24 MKTG TRANSMISSION BILLING	2,358	2,930	2,981	2,647	602	23%
25 MKTG BUSINESS STRAT & ASSESS	6,216	7,103	7,169	7,856	1,676	21%
26 Marketing Sub-Total	15,501	18,501	17,610	17,962	3,917	22%
27 EXECUTIVE AND ADMIN SERVICES	10,318	14,106	17,836	17,848	2,699	15%
28 LEGAL SUPPORT	2,586	3,951	3,693	2,913	454	16%
29 TRANS SERVICES INTERNAL GENERAL & ADMINISTRATIVE	13,469	16,025	12,793	12,886	2,114	16%
30 AIRCRAFT SERVICES	1,273	2,294	2,108	2,108	260	12%
31 LOGISTICS SERVICES	5,340	4,947	4,149	3,941	1,242	32%
32 SECURITY ENHANCEMENTS	507	878	813	539	113	21%
33 Business Support Sub-Total	33,493	42,201	41,392	40,235	6,883	17%
34 Transmission Operations Sub-Total	\$ 131,396	\$ 144,346	\$ 144,206	\$ 143,252	\$ 31,677	22%

Report ID: 0061FY15	Transmission Services Detailed Statement of Revenues and Expenses	Run Date/Time: January 29, 2015 11:35
Requesting BL: TRANSMISSION BUSINESS UNIT	Through the Month Ended December 31, 2014	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Elapsed = 25%

	A	B	C	D -Note 1	E	F
	FY 2014	FY 2015			FY 2015	FY 2015
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
Transmission Maintenance						
System Maintenance						
35 NON-ELECTRIC MAINTENANCE	\$ 21,296	\$ 27,853	\$ 30,456	\$ 30,869	\$ 4,443	14%
36 SUBSTATION MAINTENANCE	30,365	31,777	27,937	27,785	8,634	31%
37 TRANSMISSION LINE MAINTENANCE	27,782	26,820	26,804	26,951	5,892	22%
38 SYSTEM PROTECTION CONTROL MAINTENANCE	11,963	13,381	13,046	13,103	2,991	23%
39 POWER SYSTEM CONTROL MAINTENANCE	20,791	17,582	17,654	17,790	4,214	24%
40 JOINT COST MAINTENANCE	134	1	109	118	28	24%
41 SYSTEM MAINTENANCE MANAGEMENT	8,214	6,574	9,816	9,470	1,928	20%
42 ROW MAINTENANCE	7,396	8,597	10,008	10,016	2,492	25%
43 HEAVY MOBILE EQUIP MAINT	200		(0)	-	31	0%
44 TECHNICAL TRAINING	2,087	3,269	2,314	2,390	425	18%
45 VEGETATION MANAGEMENT	19,536	17,471	18,465	18,409	2,124	12%
46 Sub-Total	149,763	153,324	156,609	156,900	33,203	21%
Environmental Operations						
47 ENVIRONMENTAL ANALYSIS	5	85	-	-	6	0%
48 POLLUTION PREVENTION AND ABATEMENT	4,221	4,484	4,568	4,534	610	13%
49 Sub-Total	4,226	4,569	4,568	4,534	617	14%
50 Transmission Maintenance Sub-Total	153,989	157,893	161,177	161,434	33,819	21%
Transmission Engineering						
System Development						
51 RESEARCH & DEVELOPMENT	7,565	7,940	8,751	8,548	1,139	13%
52 TSD PLANNING AND ANALYSIS	23,570	13,289	15,934	17,523	5,779	33%
53 CAPITAL TO EXPENSE TRANSFER	6,050	4,202	4,247	4,283	679	16%
54 NERC / WECC COMPLIANCE	12,820	12,561	14,331	16,577	3,493	21%
55 ENVIRONMENTAL POLICY/PLANNING	1,271	1,189	1,560	1,690	323	19%
56 ENG RATING AND COMPLIANCE	1,430	2,589	2,184	1,709	451	26%
57 Sub-Total	52,705	41,769	47,007	50,329	11,864	24%
58 Transmission Engineering Sub-Total	52,705	41,769	47,007	50,329	11,864	24%
Trans. Services Transmission Acquisition and Ancillary Services						
BBL Acquisition and Ancillary Products and Services						
59 ANCILLARY SERVICES PAYMENTS	130,005	111,742	122,607	122,820	28,758	23%
60 OTHER PAYMENTS TO POWER SERVICES	9,602	9,506	9,402	9,402	2,350	25%
61 STATION SERVICES PAYMENTS	2,638	2,785	2,784	2,720	598	22%
62 Sub-Total	142,245	124,033	134,793	134,942	31,707	23%
Non-BBL Acquisition and Ancillary Products and Services						
63 LEASED FACILITIES	3,939	4,338	7,447	4,937	(502)	-110%
64 GENERAL TRANSFER AGREEMENTS (SETTLEMENT)	1,443	525	18	9,051	9,035	100%
65 NON-BBL ANCILLARY SERVICES	7,550	4,285	8,596	5,872	575	10%
66 OVERSUPPLY DISPLACEMENT COSTS	-	-	-	2,700	2,702	100%
67 TRANSMISSION RENEWABLES	190	1,063	100	190	92	48%
68 Sub-Total	13,122	10,212	16,160	22,750	11,902	52%
69 Trans. Svcs. Acquisition and Ancillary Services Sub-Total	155,368	134,245	150,953	157,692	43,608	28%
Transmission Reimbursables						
Reimbursables						
70 EXTERNAL REIMBURSABLE SERVICES	10,782	8,440	8,440	7,158	1,239	17%
71 INTERNAL REIMBURSABLE SERVICES	2,084	2,305	2,305	2,283	390	17%
72 Sub-Total	12,866	10,745	10,745	9,441	1,629	17%
73 Transmission Reimbursables Sub-Total	\$ 12,866	\$ 10,745	\$ 10,745	\$ 9,441	\$ 1,629	17%

Report ID: 0061FY15

Transmission Services Detailed Statement of Revenues and Expenses

Run Date/Time: January 29, 2015 11:35

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended December 31, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 25%

	A	B	C	D <Note 1	E	F
	FY 2014	FY 2015			FY 2015	FY 2015
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
BPA Internal Support						
74 Additional Post-Retirement Contribution	\$ 18,501	\$ 18,819	\$ 18,819	\$ 18,819	\$ 4,705	25%
75 Agency Services G & A (excludes direct project support)	68,283	62,083	66,914	66,492	14,501	22%
76 BPA Internal Support Subtotal	86,784	80,902	85,733	85,311	19,206	23%
Other Income, Expenses, and Adjustments						
77 Bad Debt Expense	(11)	-	-	58	58	100%
78 Other Income, Expenses, Adjustments	(2,515)	-	-	(542)	(542)	100%
79 Undistributed Reduction	-	-	-	(2,089)	-	0%
80 Depreciation	211,192	205,359	221,200	221,200	54,201	25%
81 Amortization	2,065	2,281	2,180	2,180	556	25%
82 Total Operating Expenses	803,840	777,540	823,202	828,267	196,076	24%
83 Net Operating Revenues (Expenses)	248,455	269,819	210,255	212,517	60,613	29%
Interest Expense and (Income)						
84 Federal Appropriation	14,514	14,257	14,514	14,482	3,621	25%
85 Capitalization Adjustment	(18,968)	(18,968)	(18,968)	(18,968)	(4,742)	25%
86 Borrowings from US Treasury	69,430	135,870	91,270	88,785	21,074	24%
87 Debt Service Reassignment	44,348	36,995	35,053	35,053	8,763	25%
88 Customer Advances	7,626	8,990	6,603	6,998	1,776	25%
89 Lease Financing	41,290	35,578	46,220	50,920	11,986	24%
90 AFUDC	(40,861)	(39,234)	(49,000)	(49,000)	(10,787)	22%
91 Interest Income	(9,254)	(13,677)	(7,455)	(6,483)	(1,518)	23%
92 Net Interest Expense (Income)	108,125	159,811	118,237	121,787	30,172	25%
93 Total Expenses	911,965	937,351	941,439	950,055	226,248	24%
94 Net Revenues (Expenses)	\$140,331	\$110,008	\$ 92,018	\$ 90,730	\$ 30,441	34%

<1 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties, among other factors, may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

Report ID: 0067FY15

Requesting BL: CORPORATE BUSINESS UNIT

Unit of Measure: \$Thousands

BPA Statement of Capital Expenditures

FYTD Through the Month Ended December 31, 2014

Preliminary Unaudited

Run Date/Run Time: January 29, 2015/ 11:33

Data Source: EPM Data Warehouse

% of Year Elapsed = 25%

A	B	C	D	E	F
FY 2015		FY 2015		FY 2015	
SOY Budget	Current EOY Forecast	Actuals: Dec	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast

Transmission Business Unit
MAIN GRID

1	CENTRAL OREGON REINFORCEMENT	\$ 1,281	\$ 1,191	\$ 5	\$ 15	1%	1%
2	BIG EDDY-KNIGHT 500kv PROJECT	10,892	10,165	4,236	9,703	89%	95%
3	OLYMPIC PENINSULA REINFORCEMENT	-	-	1,704	1,704	0%	0%
4	WEST OF MCNARY INTEGRATION PRO	-	-	(47)	(3)	0%	0%
5	I-5 CORRIDOR UPGRADE PROJECT	38,442	36,998	2,850	7,559	20%	20%
6	CENTRAL FERRY- LOWER MONUMTAL	39,082	36,900	7,424	23,077	59%	63%
7	SEATTLE-PUDGET SOUND AREA	27,294	26,391	298	2,299	8%	9%
8	PORTLAND-VANCOUVER	475	441	78	480	101%	109%
9	WEST OF CASCADES NORTH	-	-	749	1,170	0%	0%
10	SALEM- ALBANY-EUGENE AREA	791	735	211	421	53%	57%
11	TRI-CITIES AREA	1,187	1,103	()	56	5%	5%
12	MONTANA-WEST OF HATWAI	-	-	20	410	0%	0%
13	NERC CRITERIA COMPLIANCE	-	-	25	294	0%	0%
14	IDAHO REINFORCEMENT	617	735	-	-	0%	0%
15	MISC. MAIN GRID PROJECTS	5,933	5,515	1,369	3,740	63%	68%

TOTAL MAIN GRID

125,994

120,176

18,922

50,926

40%

42%

AREA & CUSTOMER SERVICE

17	ROGUE SVC ADDITION	-	-	655	(106)	0%	0%
18	CITY OF CENTRALIA PROJECT	-	-	405	407	0%	0%
19	SOUTHERN IDAHO - LOWER VALLEY	15,377	14,844	892	1,190	8%	8%
20	LONGVIEW AREA REINFORCEMENT	-	-	()	20	0%	0%
21	KALISPELL-FLATHEAD VALLEY	-	-	22	(8)	0%	0%
22	MISC. AREA & CUSTOMER SERVICE	1,780	3,492	178	419	24%	12%
23	TOTAL AREA & CUSTOMER SERVICE	\$ 17,157	\$ 18,337	\$ 2,153	\$ 1,921	11%	10%

Report ID: 0067FY15

Requesting BL: CORPORATE BUSINESS UNIT

Unit of Measure: \$Thousands

BPA Statement of Capital Expenditures

FYTD Through the Month Ended December 31, 2014

Preliminary Unaudited

Run Date/Run Time: January 29, 2015/ 11:33

Data Source: EPM Data Warehouse

% of Year Elapsed = 25%

A	B	C	D	E	F
FY 2015		FY 2015		FY 2015	
SOY Budget	Current EOY Forecast	Actuals: Dec	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast

Transmission Business Unit (Continued)
SYSTEM REPLACEMENTS

24	TEAP - TOOLS	\$ 1,333	\$ 1,333	\$ 21	\$ 27	2%	2%
25	TEAP - EQUIPMENT	6,674	6,551	12	138	2%	2%
26	SPC - SER	2,772	2,576	790	1,799	65%	70%
27	SPC - DFRS	-	-		120	0%	0%
28	SPC - METERING	1,631	1,516	123	858	53%	57%
29	SPC - CONTROL AND INDICATION	994	924	(4)	322	32%	35%
30	SPC - RELAYS	24,307	23,329	2,012	6,847	28%	29%
31	PSC - TELEPHONE SYSTEMS	507	471	217	461	91%	98%
32	PSC - TRANSFER TRIP	9,126	8,850	252	661	7%	7%
33	PSC - FIN/OP NETWORKS	1,014	943	47	134	13%	14%
34	PSC - TLECOM TRANSPORT	2,534	2,356	220	548	22%	23%
35	PSC - SCADA/TELEMETRY/SUP CNTRL	2,534	2,356	122	480	19%	20%
36	PSC- TELECOM SUPPORT EQUIPMENT	3,549	3,299	576	1,695	48%	51%
37	SUB DC - SUSTAIN	10,565	10,188	9	16	0%	0%
38	SUB AC- BUS & STRUCTURES	1,258	1,169	140	318	25%	27%
39	SUB AC - LOW VOLTAGE AUX.	4,139	3,990	766	2,003	48%	50%
40	SUB AC- SHUNT CAPACITORS	1,697	1,577	15	54	3%	3%
41	SUB AC-CIRCUIT BRKR & SWTCH GR	10,196	9,661	1,764	6,529	64%	68%
42	SUB AC - CVT/PT/CT & ARRESTERS	2,386	2,218	276	661	28%	30%
43	SUB AC-TRANSFORMERS & REACTORS	19,487	38,717	2,121	2,791	14%	7%
44	LINES STEEL - SUSTAIN	12,246	12,246	1,166	6,237	51%	51%
45	LINES WOOD POLES - SUSTAIN	57,524	54,940	7,123	20,482	36%	37%
46	SYSTEM TELECOM - SUSTAIN	36,740	35,458	977	4,530	12%	13%
47	MISC. REPLACEMENT PROJECTS	-	-	89	322	0%	0%
48	MISC FACILITIES- NON-ELECTRIC	19,020	17,254	1,597	4,453	23%	26%
49	TOTAL SYSTEM REPLACEMENTS	\$ 232,234	\$ 241,923	\$ 20,430	\$ 62,485	27%	26%

Report ID: 0067FY15

Requesting BL: CORPORATE BUSINESS UNIT

Unit of Measure: \$Thousands

BPA Statement of Capital Expenditures

FYTD Through the Month Ended December 31, 2014

Preliminary Unaudited

Run Date/Run Time: January 29, 2015/ 11:33

Data Source: EPM Data Warehouse

% of Year Elapsed = 25%

		A		B		C		D		E		F	
		FY 2015				FY 2015				FY 2015			
		SOY Budget		Current EOY Forecast		Actuals: Dec		Actuals: FYTD		Actuals / SOY Budget		Actuals / Forecast	
Transmission Business Unit (Continued)													
UPGRADES & ADDITIONS													
50	IT PROJECTS	\$	4,102	\$	4,925	\$	253	\$	751		18%		15%
51	SECURITY ENHANCEMENTS		16,370		9,461		71		491		3%		5%
52	LAND RIGHTS - ACCESS ROADS		8,526		8,526		1,159		2,831		33%		33%
53	LAND RIGHTS- VEG MITIGATION		485		485		7		27		6%		6%
54	LAND RIGHTS - TRIBAL RENEWALS		485		485		8		32		7%		7%
55	ACCESS ROADS		19,887		18,894		2,610		8,387		42%		44%
56	SUB AC - UPGRADES & ADDITIONS		17,009		16,362		2,173		3,903		23%		24%
57	LINE SWITCH UPGRADES		396		368		-		-		0%		0%
58	LINE - UPGRADES & ADDITIONS		2,571		2,390		170		657		26%		27%
59	SUB DC - UPGRADES & ADDITIONS		191,696		183,719		32,600		74,335		39%		40%
60	CONTROL CENTERS-UPGRADE & ADD		1,944		1,807		63		1,091		56%		60%
61	CC SYSTEM & APPLICATION		3,530		3,465		2		7		0%		0%
62	CC INFRASTRUCTURE COMPONENTS		3,713		3,451		777		1,808		49%		52%
63	SYSTEM TELECOM - UPGRADE & ADD		16,233		15,640		2,700		3,388		21%		22%
64	MISC. UPGRADES AND ADDITIONS		17,405		25,408		5,250		10,426		60%		41%
65	TOTAL UPGRADES & ADDITIONS		304,352		295,385		47,842		108,132		36%		37%
ENVIRONMENT CAPITAL													
66	MISC. ENVIRONMENT PROJECTS		7,114		6,649		782		1,777		25%		27%
67	TOTAL ENVIRONMENT CAPITAL		7,114		6,649		782		1,777		25%		27%
68	CAPITAL DIRECT		686,851		682,469		90,129		225,241		33%		33%
PFIA													
69	MISC. PFIA PROJECTS		5,942		5,955		(557)		(609)		-10%		-10%
70	GENERATOR INTERCONNECTION		12,814		12,462		89		401		3%		3%
71	SPECTRUM RELOCATION		-		-		17		35		0%		0%
72	TOTAL PFIA		18,756		18,418		(451)		(173)		-1%		-1%
73	CAPITAL INDIRECT		-		-		(5,241)		(16,304)		0%		0%
74	TOTAL Transmission Business Unit	\$	705,607	\$	700,887	\$	84,437	\$	208,764		30%		30%

Report ID: 0067FY15	BPA Statement of Capital Expenditures	Run Date/Run Time: January 29, 2015/ 11:33
Requesting BL: CORPORATE BUSINESS UNIT	FYTD Through the Month Ended December 31, 2014	Data Source: EPM Data Warehouse
Unit of Measure: \$Thousands	Preliminary Unaudited	% of Year Elapsed = 25%

		A	B	C	D	E	F
		FY 2015		FY 2015		FY 2015	
		SOY Budget	Current EOY Forecast	Actuals: Dec	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast
Power Business Unit							
75	BUREAU OF RECLAMATION <Note 1	\$ 46,806	\$ 46,806	\$ 233	\$ 10,151	22%	22%
76	CORPS OF ENGINEERS <Note 1	159,043	159,043	8,658	23,861	15%	15%
77	GENERATION CONSERVATION <Note 2	89,313	89,313	7,342	16,028	18%	18%
78	POWER INFORMATION TECHNOLOGY	7,026	7,026	340	1,278	18%	18%
79	FISH & WILDLIFE <Note 2	51,807	40,000	5,013	9,261	18%	23%
80	TOTAL Power Business Unit	353,995	342,188	21,587	60,579	17%	18%
Corporate Business Unit							
81	CORPORATE BUSINESS UNIT	23,871	20,387	1,857	3,905	16%	19%
82	TOTAL Corporate Business Unit	23,871	20,387	1,857	3,905	16%	19%
83	TOTAL BPA Capital Expenditures	\$ 1,083,472	\$ 1,063,462	\$ 107,881	\$ 273,249	25%	26%

< 1 Excludes projects funded by federal appropriations.

< 2 Amounts are reported as regulatory assets and not utility plant

Proposed Schedule for Slice True-Up Adjustment for Composite Cost Pool True-Up Table and Cost Verification Process

Dates	Agenda
February 3, 2015	First Quarter Business Review Meeting with customers Provide Slice True-Up Adjustment estimate for the Composite Cost Pool and review High Level explanation of variances between rate case forecast and Q1 forecast Q&A customers for any additional information of line items in the Slice True-Up
May 5, 2015	Second Quarter Business Review Meeting with customers Provide Slice True-Up Adjustment estimate for the Composite Cost Pool and review High Level explanation of variances between rate case forecast and Q2 forecast Q&A customers for any additional information of line items in the Slice True-Up Revisit any questions and data requests that were asked during Q1 as needed
August 4, 2015	Third Quarter Business Review Meeting with customers Slice True-Up Adjustment estimate for the Composite Cost Pool and review High Level explanation of variances between rate case forecast and Q3 forecast Q&A customers for any additional information of line items in the Slice True-Up Revisit any questions and data requests that were asked during Q2 as needed
October 2015	BPA External CPA firm conducting audit for fiscal year end
Mid-October 2015	Recording the End of Fiscal Year Slice True-Up Adjustment Accrual for the Composite Cost Pool in the financial system
End of October 2015	Final audited actual financial data is expected to be available
November 3 2015	Fourth Quarter Business Review Meeting with customers Provide Slice True-Up Adjustment for the Composite Cost Pool (this is the number posted in the financial system and is expected to be the final number)

Proposed Schedule for Slice True-Up Adjustment for Composite Cost Pool True-Up Table and Cost Verification Process

November 16, 2015	Mail notification to Slice Customers of the Slice True-Up Adjustment for the Composite Cost Pool
November 18, 2015	BPA to post Composite Cost Pool True-Up Table containing actual values and the Slice True-Up Adjustment
December 10, 2015	Deadline for customers to submit questions about actual line items in the Composite Cost Pool True-Up Table with the Slice True-Up Adjustment for inclusion in the Agreed Upon Procedures (AUPs) Performed by BPA external CPA firm (customers have 15 business days following the posting of Composite Cost Pool Table containing actual values and the Slice True-Up Adjustment
December 18, 2015	BPA posts a draft list of AUP tasks to be performed (Attachment A does not specify an exact date)
January 5, 2016	Customer comments are due on the list of tasks (The deadline can not exceed 10 days from BPA posting)
January 12, 2016	BPA finalizes list of questions about actual lines items in the Composite Cost Pool True-Up Table for the AUPs
January 14, 2016	External auditor to begin the work on the AUP tasks requested by customers
March 16, 2016	External auditor to complete the AUPs (may have up to 120 calendar days)
March 23, 2016	Initial Cost Verification Workshop
April 13, 2016	Customer comment period deadline
April 20, 2016	Follow-up Cost Verification Workshop
May 11, 2016	BPA Draft Response on AUP Report and questions/items raised during workshops
End of May 2016	If customers do not deliver any notice of grievances that are vetted with a third party Neutral, BPA will issue a Final Response on the AUP Report

Composite Cost Pool True-Up Table

		Q1 (\$000)	Rate Case forecast for FY 2015 (\$000)	Q1 - Rate Case Difference (\$000)
1	Operating Expenses			
2	Power System Generation Resources			
3	Operating Generation			
4	COLUMBIA GENERATING STATION (WNP-2)	329,763	\$ 338,558	\$ (8,795)
5	BUREAU OF RECLAMATION	152,533	\$ 143,033	\$ 9,500
6	CORPS OF ENGINEERS	237,378	\$ 231,878	\$ 5,500
7	LONG-TERM CONTRACT GENERATING PROJECTS	27,843	\$ 26,620	\$ 1,222
8	Sub-Total	747,517	\$ 740,089	\$ 7,428
9	Operating Generation Settlement Payment and Other Payments			
10	COLVILLE GENERATION SETTLEMENT	21,863	\$ 21,906	\$ (43)
11	SPOKANE LEGISLATION PAYMENT	-	\$ -	\$ -
12	Sub-Total	21,863	\$ 21,906	\$ (43)
13	Non-Operating Generation			
14	TROJAN DECOMMISSIONING	1,000	\$ 1,500	\$ (500)
15	WNP-1&3 DECOMMISSIONING	467	\$ 728	\$ (261)
16	Sub-Total	1,467	\$ 2,228	\$ (761)
17	Gross Contracted Power Purchases			
18	PNCA HEADWATER BENEFITS	2,800	\$ 3,030	\$ (230)
19	HEDGING/MITIGATION (omit except for those assoc. with augmentation)	-	\$ -	\$ -
20	OTHER POWER PURCHASES (omit, except Designated Obligations or Purchases)	(19,069)	\$ -	\$ (19,069)
21	Sub-Total	(16,269)	\$ 3,030	\$ (19,299)
22	Bookout Adjustment to Power Purchases (omit)			
23	Augmentation Power Purchases (omit - calculated below)			
24	AUGMENTATION POWER PURCHASES	-	\$ -	\$ -
25	Sub-Total	-	\$ -	\$ -
26	Exchanges and Settlements			
27	RESIDENTIAL EXCHANGE PROGRAM (REP) (SOY does not include \$973K REP admin cost)	201,500	\$ 202,894	\$ (1,394)
28	REP ADMINISTRATION COSTS (\$973K rate case amount is included in row 27 column D)	-	\$ -	\$ -
29	OTHER SETTLEMENTS	-	\$ -	\$ -
30	Sub-Total	201,500	\$ 202,894	\$ (1,394)
31	Renewable Generation			
32	CONTRA EXPENSE for GEP reinvestments	-	\$ (750)	\$ 750
33	RENEWABLES (excludes KIII)	30,369	\$ 30,150	\$ 220
34	Sub-Total	30,369	\$ 29,400	\$ 970
35	Generation Conservation			
36	DSM TECHNOLOGY	-	\$ -	\$ -
37	CONSERVATION ACQUISITION	14,871	\$ 16,754	\$ (1,883)
38	LOW INCOME WEATHERIZATION & TRIBAL	5,252	\$ 5,252	\$ -
39	ENERGY EFFICIENCY DEVELOPMENT	13,000	\$ 12,083	\$ 917
40	LEGACY	605	\$ 1,050	\$ (445)
41	MARKET TRANSFORMATION	13,175	\$ 14,180	\$ (1,005)
41b	DR and Smart Grid	1,825	\$ -	\$ -
42	CONSERVATION Rate Credit (CRC)	-	\$ -	\$ -
43	Sub-Total	48,728	\$ 49,320	\$ (591)
44	Power System Generation Sub-Total	1,035,175	\$ 1,048,866	\$ (13,691)

Composite Cost Pool True-Up Table

		Q1 (\$000)	Rate Case forecast for FY 2015 (\$000)	Q1 - Rate Case Difference (\$000)
45				
46	Power Non-Generation Operations			
47	Power Services System Operations			
48	EFFICIENCIES PROGRAM	-	\$ -	\$ -
49	INFORMATION TECHNOLOGY	5,435	\$ 6,735	\$ (1,300)
50	GENERATION PROJECT COORDINATION	8,098	\$ 6,968	\$ 1,130
51	SLICE IMPLEMENTATION	1,044	\$ 1,126	\$ (82)
52	Sub-Total	14,576	\$ 14,829	\$ (253)
53	Power Services Scheduling			\$ -
54	OPERATIONS SCHEDULING	9,465	\$ 10,621	\$ (1,156)
55	OPERATIONS PLANNING	6,971	\$ 7,948	\$ (977)
56	Sub-Total	16,436	\$ 18,569	\$ (2,133)
57	Power Services Marketing and Business Support			
58	POWER R&D	7,306	\$ 5,936	\$ 1,370
59	SALES & SUPPORT	21,781	\$ 21,339	\$ 442
60	STRATEGY, FINANCE & RISK MGMT (SOY column C row 60 includes REP support costs)	16,947	\$ 19,373	\$ (2,426)
61	EXECUTIVE AND ADMINISTRATIVE SERVICES	4,005	\$ 4,360	\$ (355)
62	CONSERVATION SUPPORT	9,225	\$ 9,309	\$ (83)
63	Sub-Total	59,264	\$ 60,316	\$ (1,052)
64	Power Non-Generation Operations Sub-Total	90,277	\$ 93,715	\$ (3,438)
65	Power Services Transmission Acquisition and Ancillary Services			
66	TRANSMISSION and ANCILLARY Services - System Obligations	36,989	\$ 36,989	\$ -
67	3RD PARTY GTA WHEELING	56,442	\$ 56,578	\$ (135)
68	POWER SERVICES - 3RD PARTY TRANS & ANCILLARY SVCS (omit)	-	\$ -	\$ -
69	TRANS ACQ GENERATION INTEGRATION	11,664	\$ 11,664	\$ -
70	TELEMETERING/EQUIP REPLACEMT	-	\$ 53	\$ (53)
71	Power Services Trans Acquisition and Ancillary Serv Sub-Total	105,096	\$ 105,284	\$ (188)
72	Fish and Wildlife/USF&W/Planning Council/Environmental Req			
73	BPA Fish and Wildlife			
74	Fish & Wildlife	259,810	\$ 260,000	\$ (190)
75	USF&W Lower Snake Hatcheries	31,670	\$ 31,670	\$ -
76	Planning Council	10,642	\$ 10,799	\$ (157)
77	Environmental Requirements	-	\$ 300	\$ (300)
78	Fish and Wildlife/USF&W/Planning Council Sub-Total	302,122	\$ 302,769	\$ (647)

Composite Cost Pool True-Up Table

		Q1	Rate Case forecast	Q1 - Rate Case
		((\$000))	for FY 2015	Difference
			(\$000)	(\$000)
79	BPA Internal Support			
80	Additional Post-Retirement Contribution	18,819	\$ 18,819	\$ -
81	Agency Services G&A (excludes direct project support)	57,240	\$ 57,215	\$ 25
82	BPA Internal Support Sub-Total	76,059	\$ 76,034	\$ 25
83	Bad Debt Expense	-	\$ -	\$ -
84	Other Income, Expenses, Adjustments	-	\$ -	\$ -
85	Non-Federal Debt Service			
86	Energy Northwest Debt Service			
87	COLUMBIA GENERATING STATION DEBT SVC	79,565	\$ 80,636	\$ (1,071)
88	WNP-1 DEBT SVC	41,258	\$ 184,536	\$ (143,278)
89	WNP-3 DEBT SVC	60,422	\$ 166,975	\$ (106,553)
90	EN RETIRED DEBT	-	\$ -	\$ -
91	EN LIBOR INTEREST RATE SWAP	-	\$ -	\$ -
92	Sub-Total	181,245	\$ 432,147	\$ (250,902)
93	Non-Energy Northwest Debt Service			
94	TROJAN DEBT SVC	-	\$ -	\$ -
95	CONSERVATION DEBT SVC	312	\$ 312	\$ -
96	COWLITZ FALLS DEBT SVC	7,299	\$ 6,890	\$ 409
97	NORTHERN WASCO DEBT SVC	1,929	\$ 1,929	\$ -
98	Sub-Total	9,540	\$ 9,131	\$ 409
99	Non-Federal Debt Service Sub-Total	190,785	\$ 441,278	\$ (250,493)
100	Depreciation	140,300	\$ 134,164	\$ 6,136
101	Amortization	91,928	\$ 95,117	\$ (3,189)
102	Total Operating Expenses	2,031,742	\$ 2,297,226	\$ (265,484)
103				
104	Other Expenses			
105	Net Interest Expense	\$198,385	\$ 236,867	\$ (38,482)
106	LDD	34,991	\$ 36,361	\$ (1,370)
107	Irrigation Rate Discount Costs	18,816	\$ 18,816	\$ (0)
108	Sub-Total	252,192	\$ 292,044	\$ (39,852)
109	Total Expenses	2,283,934	\$ 2,589,270	\$ (305,336)

Composite Cost Pool True-Up Table

		Q1 (\$000)	Rate Case forecast for FY 2015 (\$000)	Q1 - Rate Case Difference (\$000)
110				
111	Revenue Credits			
112	Generation Inputs for Ancillary, Control Area, and Other Services Revenues	134,950	\$ 112,910	\$ 22,040
113	Downstream Benefits and Pumping Power revenues	18,177	\$ 15,394	\$ 2,783
114	4(h)(10)(c) credit	77,668	\$ 92,996	\$ (15,328)
115	Colville and Spokane Settlements	4,600	\$ 4,600	\$ -
116	Energy Efficiency Revenues	13,000	\$ 12,083	\$ 917
117	Miscellaneous revenues	5,712	\$ 3,240	\$ 2,472
118	Renewable Energy Certificates	1,107	\$ 1,107	\$ 0
119	Pre-Subscription Revenues (Big Horn/Hungry Horse)	1,910	\$ 1,909	\$ 1
120	Net Revenues from other Designated BPA System Obligations (Upper Baker)	424	\$ 446	\$ (22)
121	WNP-3 Settlement revenues	30,127	\$ 29,163	\$ 964
122	RSS Revenues	3,028	\$ 3,028	\$ -
123	Firm Surplus and Secondary Adjustment (from Unused RHHM)	2,383	\$ 2,383	\$ -
124	Balancing Augmentation Adjustment	4,995	\$ 4,995	\$ -
125	Transmission Loss Adjustment	28,010	\$ 28,010	\$ -
126	Tier 2 Rate Adjustment	802	\$ 802	\$ -
127	NR Revenues	1	\$ 1	\$ -
128	Total Revenue Credits	326,894	\$ 313,066	\$ 13,827
129				
130	Augmentation Costs (not subject to True-Up)			
131	Tier 1 Augmentation Resources (includes Augmentation RSS and Augmentation RSC adders)	12,510	\$ 12,510	\$ -
132	Augmentation Purchases	94,914	\$ 94,914	\$ -
133	Total Augmentation Costs	107,424	\$ 107,424	\$ -
134				
135	DSI Revenue Credit			
136	Revenues 312 aMW, 312 aMW @ IP rate	106,510	\$ 106,510	\$ -
137	Total DSI revenues	106,510	\$ 106,510	\$ -
138				
139	Minimum Required Net Revenue Calculation			
140	Principal Payment of Fed Debt for Power	341,009	\$ 111,151	\$ 229,858
141	Irrigation assistance	52,110	\$ 52,110	\$ -
142	Depreciation	140,300	\$ 134,164	\$ 6,136
143	Amortization	91,928	\$ 95,117	\$ (3,189)
144	Capitalization Adjustment	(45,938)	\$ (45,937)	\$ (1)
145	Bond Call Premium/Discount	-	\$ -	\$ -
146	Non-Federal Interest (Prepay)	14,041	\$ 14,041	\$ -
147	Prepay Revenue Credits	(30,600)	\$ (30,600)	\$ -
148	Principal Payment of Fed Debt exceeds non cash expenses	223,388	\$ (3,524)	\$ 226,911
149	Minimum Required Net Revenues	223,388	\$ -	\$ 223,388
150				
151	Annual Composite Cost Pool (Amounts for each FY)	2,181,342	\$ 2,277,118	\$ (95,776)
152				
153	SLICE TRUE-UP ADJUSTMENT CALCULATION FOR COMPOSITE COST POOL			
154	TRUE UP AMOUNT (Diff. between actual Comp. Cost Pool and forecast Comp. Cost Pool for applicable f	(95,776)		
155	Sum of TOCAs	1		
156	Adjustment of True-Up Amount when actual TOCAs < 100 percent (divide by sum of TOCAs, expressed a	(97,221)		
157	TRUE-UP ADJUSTMENT CHARGE BILLED (26.62752percent)	(25,888)		

Financial Disclosure

- The information contained in slides 4-14, 17-25, and 55-72 has been made publicly available by BPA on January 30, 2015 and contains BPA-approved Financial Information.
- The information contained in slides 15-16 and 26-54 has been made publicly available by BPA on January 30, 2015 and does not contain BPA-approved Financial Information.